

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information —enter all requested information		
1a Name of plan	<u>BELLO MACHRE, INC 403(B) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>003</u>
		1c Effective date of plan	<u>01/15/2021</u>
2a Plan sponsor's name (employer, if for a single-employer plan)		2b Employer Identification Number (EIN)	<u>52-0915574</u>
Mailing address (include room, apt., suite no. and street, or P.O. Box)		2c Plan Sponsor's telephone number	<u>443-702-3058</u>
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)		2d Business code (see instructions)	<u>623000</u>
<u>BELLO MACHRE, INC</u>			
<u>7765 FREETOWN ROAD</u>			
<u>GLEN BURNIE, MD 21060</u>			

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/03/2023	KIMBERLY MCCLEARN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 382
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 378
a(2) Total number of active participants at the end of the plan year		6a(2) 397
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 9
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 406
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 406
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 93
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2M 2G 2F 2T 3F		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan BELLO MACHRE, INC 403(B) PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 BELLO MACHRE, INC	D Employer Identification Number (EIN) 52-0915574	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
MERRILL LYNCH,PIERCE,FENNER&SMITH
13-5674085

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ASCENSUS LLC

11-3665754

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99 37 15 50 62	NONE	1455	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>BELLO MACHRE, INC 403(B) PLAN</u>		B Three-digit plan number (PN) <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BELLO MACHRE, INC</u>		D Employer Identification Number (EIN) <u>52-0915574</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	581	41
(2) Participant contributions.....	1b(2)	6786	0
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)		3319
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	222017	485720
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	229384	489080

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	229384	489080
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	33894	
(B) Participants	2a(1)(B)	284230	
(C) Others (including rollovers)	2a(1)(C)	11287	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		329411
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	95	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		95
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	7469	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		7469
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-62176
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		274799
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	12372	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		12372
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	1455	
(3) Investment advisory and management fees	2i(3)	1276	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2731
j Total expenses. Add all expense amounts in column (b) and enter total	2j		15103
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		259696
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MULLEN, SONDBERG, WIMBISH & STONE,

(2) EIN: 52-1197902

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		5000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan BELLO MACHRE, INC 403(B) PLAN		B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 BELLO MACHRE, INC		D Employer Identification Number (EIN) 52-0915574
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 45-0404698		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

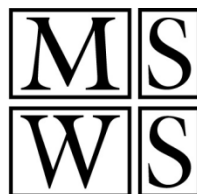
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____

**BELLO MACHRE, INC.
(CONSOLIDATED WITH HUMAN
SERVICE RENOVATIONS, INC.)
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

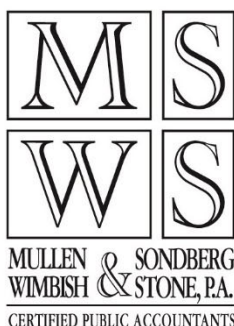


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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888 Bestgate Road • Suite 310 • Annapolis, Maryland 21401

INDEPENDENT AUDITOR'S REPORT

To Management and the Board of Directors of
Bello Machre, Inc.
Glen Burnie, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Bello Machre, Inc. and Human Service Renovations, Inc. (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2023, 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 Bello Machre, Inc. and Human Service Renovations, Inc. as of June 30, 2023, and the changes 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bello Machre, Inc. and Human Service Renovations, Inc. 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 Consolidated 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 Bello Machre, Inc. and Human Service Renovations, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

To Management and the Board of Directors of
Bello Machre, Inc.

Auditor's Responsibilities for the Audit of the Consolidated 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 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 consolidated financial statements.

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

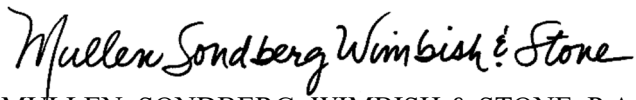
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures 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 Bello Machre, Inc. and Human Service Renovations, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bello Machre, Inc. and Human Service Renovations, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To Management and the Board of Directors of
Bello Machre, Inc.

Report on Summarized Comparative Information

We have previously audited Bello Machre, Inc. and Human Service Renovations, Inc.'s 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.


MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
September 11, 2023

Bello Machre, Inc.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2023

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,985,455	\$ 6,036,628
Investments	21,120,990	7,632,910
Accounts receivable, funding agencies, net of allowance	2,269,717	1,360,268
Accounts receivable, other	162,961	92,234
Due from clients	194,185	143,520
Prepaid expenses	401,516	353,961
Total current assets	28,134,824	15,619,521
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	26,323,913	24,164,259
OTHER ASSETS		
Mortgage escrow	414,800	399,100
Financing lease right of use assets, net of accumulated amortization	928,226	-
Operating lease right of use assets	538,353	-
Total other assets	1,881,379	399,100
Total assets	\$ 56,340,116	\$ 40,182,880
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Accounts payable	\$ 288,932	\$ 281,639
Accrued salaries and related taxes	300,773	874,438
Accrued leave	792,354	639,773
Due to clients	896,164	1,144,951
Charitable gift annuity	13,051	12,341
Notes and mortgages payable	541,823	456,513
Due to State of Maryland	12,233,832	3,062,441
Financing lease obligations	189,559	-
Operating lease liability	333,277	-
Total current liabilities	15,589,765	6,472,096
LONG-TERM LIABILITIES		
Charitable gift annuity	43,046	28,740
Notes and mortgages payable	20,162,426	18,598,697
Participation liability	55,637	65,502
Financing lease obligations	758,583	-
Operating lease liability	205,615	-
Total long-term liabilities	21,225,307	18,692,939
Total liabilities	36,815,072	25,165,035
NET ASSETS		
Without donor restrictions	11,759,280	8,353,939
Without donor restrictions - designated (quasi-endowment)	7,765,764	6,547,406
With donor restrictions	-	116,500
Total net assets	19,525,044	15,017,845
Total liabilities and net assets	\$ 56,340,116	\$ 40,182,880

The accompanying notes are an integral part of these consolidated financial statements.

Bello Machre, Inc.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2023	2022
REVENUES, GAINS AND OTHER SUPPORT				
Program service fees	\$ 32,486,626	\$ -	\$ 32,486,626	\$ 23,679,332
Client fees	1,040,768	-	1,040,768	1,048,828
Contributions and fundraising	869,313	-	869,313	780,226
Investment return, net	802,400	-	802,400	(756,162)
Gain on sale of property and equipment	590,030	-	590,030	294,800
Grants	147,599	-	147,599	291,242
Contributions of nonfinancial assets	38,066	-	38,066	20,156
Other income	4,020	-	4,020	3,219
Change in value of split interest agreements	(10,475)	-	(10,475)	(9,893)
	35,968,347	-	35,968,347	25,351,748
Net assets released from restrictions	116,500	(116,500)	-	-
Total revenues, gains and other support	36,084,847	(116,500)	35,968,347	25,351,748
EXPENSES				
Program services				
Residential	23,569,540	-	23,569,540	18,157,328
Personal support	3,799,960	-	3,799,960	3,011,411
Day and vocational services	1,385,138	-	1,385,138	869,271
Individual support services	26,691	-	26,691	23,254
Total program services	28,781,329	-	28,781,329	22,061,264
Supporting services				
Management and general	2,533,929	-	2,533,929	2,004,434
Fundraising	145,890	-	145,890	189,906
Total supporting services	2,679,819	-	2,679,819	2,194,340
Total expenses	31,461,148	-	31,461,148	24,255,604
Change in net assets	4,623,699	(116,500)	4,507,199	1,096,144
NET ASSETS AT BEGINNING OF YEAR	14,901,345	116,500	15,017,845	13,921,701
NET ASSETS AT END OF YEAR	\$ 19,525,044	\$ -	\$ 19,525,044	\$ 15,017,845

The accompanying notes are an integral part of these consolidated financial statements.

Bello Machre, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023
With Summarized Financial Information for the Year Ended June 30, 2022

	Program Services					Supporting Services			Total	
	Residential	Personal Support	Day and Vocational Services	Individual Support Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	2023	2022
Salaries	\$ 14,675,460	\$ 2,376,105	\$ 999,006	\$ 16,762	\$ 18,067,333	\$ 1,177,883	\$ 91,100	\$ 1,268,983	\$ 19,336,316	\$ 14,340,215
Employee benefits	1,194,704	193,802	81,119	1,078	1,470,703	120,892	7,575	128,467	1,599,170	1,390,671
Payroll taxes	1,603,657	260,206	109,011	1,712	1,974,586	125,668	10,166	135,834	2,110,420	1,563,603
Total salaries and related expenses	17,473,821	2,830,113	1,189,136	19,552	21,512,622	1,424,443	108,841	1,533,284	23,045,906	17,294,489
Purchase of service	1,056,655	274,103	27,492	6,750	1,365,000	485,735	13,141	498,876	1,863,876	1,624,108
Depreciation and amortization	1,311,699	241,483	62,380	-	1,615,562	80,965	-	80,965	1,696,527	1,435,151
Interest	968,355	10,381	1,867	-	980,603	7,686	-	7,686	988,289	879,749
Maintenance and equipment	519,019	2,539	510	-	522,068	24,985	-	24,985	547,053	490,692
Transportation	219,568	188,564	53,204	-	461,336	38,902	34	38,936	500,272	482,161
Utilities	389,963	668	544	-	391,175	24,235	-	24,235	415,410	402,970
Insurance	288,252	60,501	10,382	389	359,524	16,729	-	16,729	376,253	297,072
Gas, oil and repairs	315,695	4,493	17,714	-	337,902	28,378	-	28,378	366,280	266,323
Supplies	217,038	2,880	10,530	-	230,448	79,470	23,874	103,344	333,792	308,769
Food	281,350	-	-	-	281,350	-	-	-	281,350	180,938
Professional fees	-	-	-	-	-	264,185	-	264,185	264,185	94,097
Staff development	195,546	22,426	8,216	-	226,188	30,499	-	30,499	256,687	175,868
Advertising	150,769	-	-	-	150,769	-	-	-	150,769	96,407
Telephone	125,165	18,312	3,057	-	146,534	4,072	-	4,072	150,606	149,758
Bad debt expense	-	141,918	-	-	141,918	-	-	-	141,918	-
Medical supplies	26,015	-	-	-	26,015	-	-	-	26,015	38,725
Rent	24,620	1,050	-	-	25,670	-	-	-	25,670	17,363
Dues and subscriptions	421	529	106	-	1,056	23,645	-	23,645	24,701	19,060
Miscellaneous	5,589	-	-	-	5,589	-	-	-	5,589	1,904
Total expenses	\$ 23,569,540	\$ 3,799,960	\$ 1,385,138	\$ 26,691	\$ 28,781,329	\$ 2,533,929	\$ 145,890	\$ 2,679,819	\$ 31,461,148	\$ 24,255,604

The accompanying notes are an integral part of these consolidated financial statements.

Bello Machre, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,507,199	\$ 1,096,144
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(485,170)	825,049
Depreciation	1,551,296	1,435,151
Amortization of right of use assets	145,231	-
Gain on sale of property and equipment	(590,030)	(294,800)
Donated securities	(20,521)	(20,156)
Change in value of split interest agreements	10,475	9,893
Amortization of loan discount	965	965
(Increase) decrease in operating assets:		
Accounts receivable	(980,176)	(453,607)
Due from clients	(50,665)	(10,957)
Prepaid expenses	(47,555)	(163,124)
Mortgage escrow	(15,700)	9,575
Operating lease right of use assets	(538,353)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(413,791)	372,553
Due to clients	(248,787)	68,485
Due to State of Maryland	9,171,391	67,113
Operating lease liability	538,892	-
Net cash provided by operating activities	<u>12,534,701</u>	<u>2,942,284</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(12,982,389)	(2,316,876)
Proceeds from sale of investments	-	61,685
Proceeds from sale of property and equipment	530,743	486,538
Acquisition of property and equipment	(1,431,293)	(1,482,814)
Repayment of finance lease obligations	(125,315)	-
Net cash used in investing activities	<u>(14,008,254)</u>	<u>(3,251,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from lines of credit	342,295	413,301
Principal payments on line of credit	(342,295)	(542,714)
Proceeds from annuities payable	17,592	-
Payments on annuities payable	(13,051)	(12,341)
Principal payments on notes and mortgages payable	(582,161)	(474,338)
Net cash used in financing activities	<u>(577,620)</u>	<u>(616,092)</u>
Net change in cash and cash equivalents	(2,051,173)	(925,275)
Cash and cash equivalents at beginning of year	6,036,628	6,961,903
Cash and cash equivalents at end of year	<u>\$ 3,985,455</u>	<u>\$ 6,036,628</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 983,970</u>	<u>\$ 878,326</u>
Noncash investing and financing activities:		
Acquisition of property and equipment	\$ 4,063,572	\$ 3,329,682
Less amounts financed	(2,632,279)	(1,846,868)
Cash paid for property and equipment	<u>\$ 1,431,293</u>	<u>\$ 1,482,814</u>
Proceeds from sale of property and equipment	\$ 942,652	\$ 676,778
Less amounts used to pay off notes and mortgages payable	(411,909)	(190,240)
Cash received for property and equipment	<u>\$ 530,743</u>	<u>\$ 486,538</u>
New financing leases - right of use assets	\$ 1,073,458	\$ -
Less amounts financed under finance leases	(948,143)	-
Cash used in repayments of finance lease obligations	<u>\$ 125,315</u>	<u>\$ -</u>
Recognition of right of use assets and lease liabilities to implementation of ASU 2016-02 "Leases" (Topic 842)	<u>\$ 1,192,663</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature and Organization

Bello Machre, Inc. (the Organization) is a tax-exempt nonprofit entity incorporated in the State of Maryland in 1972 to provide homes, support, and loving care for individuals with developmental disabilities enabling them to participate as fully as they wish in all aspects of community life.

Consolidation of Related Entity

Bello Machre, Inc. has adopted the provisions of *FASB ASC 958-810 Not-for-Profit Entities - Consolidation*. Bello Machre has included its related entity, Human Service Renovations, Inc., in its consolidated financial statements for years ended June 30, 2023 and 2022. *FASB ASC 958-810* states that a nonprofit organization should consolidate another nonprofit organization if the reporting nonprofit organization has both control of the other nonprofit organization, as evidenced by either majority ownership or a majority voting interest in the Board of the other nonprofit organization, and an economic interest in the other nonprofit organization.

Human Service Renovations, Inc. (HSR) is a tax-exempt nonprofit entity incorporated in the State of Maryland in 1994 to provide housing to developmentally disabled citizens located primarily in Anne Arundel County. HSR qualifies as a related entity of Bello Machre, Inc. under *FASB ASC 958-810* and, accordingly, the accompanying consolidated financial statements present the financial information of both entities.

Bello Machre, Inc. is also required to comply with the provisions of *FASB ASC 850 Related Party Disclosures*. Under this provision, all material related party transactions have been eliminated in the consolidating process and substantive disclosure of these amounts is not required.

Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. The prior year information included in the consolidated statement of financial position, statement of activities, statement of functional expenses, statement of cash flows and footnote disclosures are included for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition – Contributions and Fundraising

Contributions are reported as revenue in the year received and/or when the unconditional promises are made. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted contributions, including donor-restricted conditional contributions, whose restrictions (and conditions, if applicable) are met in the same year are reported as support without donor restrictions.

Promises to give with a measurable performance or other barrier and a right of return are considered conditional promises to give and are not recognized until the conditions on which they depend have been met. There were no conditional promises to give for the years ended June 30, 2023 and 2022.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition - Grants

Grants are reported as revenue based on the terms and conditions of each specific grant agreement with the grantor. Grants that are earned based on the expenditure of specific expenses are recorded as revenue when the expenses are incurred and the Organization has an unconditional right to the grant funds. Unexpended grant awards under these arrangements are classified as deferred revenue in the consolidated statement of financial position until they are earned. Grants that are received with grantor restrictions or stipulations regarding the use of the grant funds are classified as grants with donor restrictions. When a grantor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted grants whose restrictions are met in the same year are reported as support without donor restrictions.

Revenue Recognition – Program Service Fees and Client Fees

The Organization offers several levels of services for individuals with developmental disabilities. These services are funded primarily by the Developmental Disabilities Administration of the State of Maryland Department of Health (DDA). Program service fees for DDA programs are reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing services. Changes in the valuation of the consideration to which the Organization expects to be entitled to in exchange for providing services are recognized in the period in which the changes are determined. Program service fees are recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a daily or quarter hour basis, as prescribed by DDA program regulations. Revenue is recorded based on daily or quarter hour reimbursement rates established and approved by DDA.

The Organization receives payments from DDA on a reimbursement basis. Revenue is reimbursed by DDA approximately 2 to 4 weeks after billing.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Program Service Fees and Client Fees (Cont.)

Program service fees recognized for DDA programs for the years ending June 30, 2023 and 2022 are as follows:

Service type:	Measurement Period for Performance Obligations	Revenue Recognized June 30, 2023	Revenue Recognized June 30, 2022
Residential	Daily	\$ 26,480,436	\$ 19,895,116
Personal support	Quarter hour	3,819,991	2,916,099
Day and vocational	Quarter hour	2,186,199	868,117
		<u>\$ 32,486,626</u>	<u>\$ 23,679,332</u>

The Organization collects client fees for room and board and contribution to care from individuals in the Organization's residential services program. Client fee revenue is recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a monthly basis. The monthly reimbursement rate is determined for each individual based on rates established and approved by DDA.

Client fees recognized are as follows for the years ended June 30:

	2023	2022
Room and board	\$ 245,867	\$ 256,963
Contribution to care	794,901	791,865
	<u>\$ 1,040,768</u>	<u>\$ 1,048,828</u>

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts accordingly; actual results could differ from those estimates.

Measure of Operations

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization and ongoing program services. Nonoperating activities are limited to resources from other activities considered to be of a more unusual or nonrecurring nature.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Contributions – Nonfinancial Assets and Services

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. Fair value is determined by using estimate retail pricing of identical or similar products. Donated securities are valued based on the quoted market price of the relevant security on the date of receipt. The amounts reflected in the accompanying financial statements included in donations are offset by like amounts included in expenses or additions to property and equipment or other identical assets.

The amounts that have been recognized in the consolidated statement of activities because the criteria for recognition has been satisfied for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Securities	\$ 20,521	\$ 20,156
Supplies	<u>17,545</u>	<u>-</u>
Total nonfinancial assets	<u>\$ 38,066</u>	<u>\$ 20,156</u>

These contributions of tangible assets were utilized in the Organization's programs in the provision of services for individuals with developmental disabilities and were valued based on the comparable sales.

There were no amounts recorded for contributed services for the years ending June 30, 2023 and 2022.

Functional Expenses

Accounting principles generally accepted in the United States of America require all nonprofit organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expense. Expenses are either charged directly to program services as incurred or allocated based on estimates of time and effort or usage. The expenses that have been allocated based on estimates of time and effort include the following: salaries and related expenses, purchase of service, interest, maintenance and equipment, utilities, supplies, insurance, gas, oil, repairs, staff development, and telephone. Depreciation expense has been allocated based on usage.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, cash and cash equivalents represent deposits in checking and savings accounts and certificates of deposit with original maturities of ninety days or less, except those that are part of an investment portfolio.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Investments

Investments are presented in the consolidated financial statements at fair value. The net realized and unrealized appreciation (depreciation) in the fair value of investments is reflected in the consolidated statement of activities. Investments consist of fixed income securities, mutual funds and exchange traded funds, equity securities, and cash and money market funds held by a broker.

Property and Equipment

Property and equipment are recorded at cost. Gifts of long-lived assets such as land, buildings, or equipment are recorded at their fair values and reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Depreciation has been computed using the straight-line method and is based on the following estimated lives:

Buildings	25-30 years
Building improvements	10-25 years
Furnishings and equipment	3-10 years
Vehicles	75,000 miles/5 years

Debt Issuance Costs

Debt issuance costs subject to amortization include loan refinancing costs. These costs are being amortized over the length of the term of the mortgage and are included in notes and mortgages payable.

Accounts Receivable

Accounts receivable consist of amounts due from governmental agencies and others for services provided by program activities. The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance is determined annually by management based on prior experience and an analysis of the amounts currently due from governmental agencies and others. As of June 30, 2023 and 2022, accounts receivable – funding agencies has been presented net of an allowance for doubtful accounts totaling \$864,400 and \$1,156,861, respectively.

Concentration of Cash Balances

At June 30, 2023 and 2022 and at various times during the fiscal years then ended, the Organization maintained cash balances in excess of the federally insured limit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Taxes

The Organization follows the guidance of *ASC 740-10, "Accounting for Uncertainty in Income Taxes"* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the consolidated financial statements, including those of nonprofit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Organization's consolidated financial statements.

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as a tax-exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland state statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions.

Advertising

The Organization expenses advertising costs when incurred. Advertising expenses were \$150,769 and \$96,407 for the years ended June 30, 2023 and 2022, respectively.

Leases

The Organization recognizes a right of use (ROU) asset and lease liability on the consolidated statement of financial position for all leases with a term of longer than 12 months. Leases are classified as financing or operating. Financing leases are expensed through interest and amortization expense and operating leases are expensed through transportation expense on the consolidated statement of activities.

The Organization's right of use assets and lease liabilities relate to vehicles and other personal property. Certain leases may include one or more options to renew, with renewal terms that can be extended beyond the original lease term at managements discretion. Renewal periods are included in the expected lease term if they are reasonably certain of being exercised by management. There are no leases that contain any material residual value guarantees, material restrictions or covenants.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. Rates are determined and estimated based on various incremental borrowing risk-free rates when the rate implicit in the lease is not readily determinable.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but expensed on a straight-line basis over the lease term.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Reclassification of Prior Year Balances

Certain reclassifications of the prior year balances have been made to conform to current year presentation. The reclassifications had no effect on net assets or the change in net assets for the prior year.

New Accounting Pronouncements

On July 1, 2022, the Organization adopted *ASU 2016-02, "Leases" (Topic 842)* along with various practical expedients allowed by the Organization under the standard, which requires lessees to recognize leases on the consolidated statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize ROU asset and lease liability on the consolidated statement of financial position for all leases with a term longer than 12 months. Leases will be classified as financing or operating. Financing leases will be expensed through interest and amortization expense and operating leases will be expensed through transportation expense on the consolidated statement of activities.

The Organization adopted *ASU 2016-02* using a modified retrospective approach – Effective Date Method. The Effective Date Method does not reassess at adoption (i) expired or existing contracts as to whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect cost for existing leases. The Organization also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying assets and are applying this expedient to all relevant asset classes.

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets at June 30:

Financial assets at year end:	2023	2022
Cash and cash equivalents	\$ 3,985,455	\$ 6,036,628
Investments	21,120,990	7,632,910
Accounts receivable, funding agencies	2,269,717	1,360,268
Accounts receivable, other	162,961	92,234
Due from clients	194,185	143,520
Total financial assets	<u>27,733,308</u>	<u>15,265,560</u>
Less amounts not available to be used within one year:		
Board-designated / quasi-endowment - total	7,765,764	6,547,406
Board-designated / quasi-endowment - available within one year	(388,288)	(327,370)
Net assets with donor restrictions	-	(116,500)
Net amounts not available to be used within one year	<u>7,377,476</u>	<u>6,103,536</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$20,355,832</u>	<u>\$ 9,162,024</u>

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 2 - Availability and Liquidity (Cont.)

The Organization's goal is to establish at least 3 months of average recurring operating costs in available liquidity (approximately \$7,865,000). Monthly average recurring operating costs are calculated by dividing total operating expenses for the year by 12 months. In addition to calculating the actual operating reserve at year end, the target minimum reserve will be calculated each year after approval of the annual budget.

The Board of Directors has also designated funds to establish a reserve to secure a measure of financial independence and security for the Organization. As such, the Organization has set aside certain assets, gifts and charitable donations in what has historically been called the "Trust Fund". As of July 1, 2022 the fund was renamed to the "Legacy Fund". The Legacy Fund is a quasi-endowment fund (see Note 13). The Board of Directors has approved the expenditure of 5% of the fair market value of the assets of the Legacy Fund, calculated as of the beginning of each fiscal year. Additional amounts may be expended from the Legacy Fund at management's discretion (and with Board of Director's approval). In addition to the financial assets available to meet general expenditures over the next twelve months listed above, the Organization also has three lines of credit totaling \$4,050,000 available to draw upon in the event of an unanticipated liquidity need.

Note 3 - Investments

The fair value of investments are as follows at June 30:

	2023	2022
Cash and money market funds	\$ 2,208,503	\$ 144,893
Fixed income securities	12,129,992	1,168,271
Mutual funds and exchange-traded funds	5,938,586	5,590,318
Equity securities	843,909	729,428
	<u>\$ 21,120,990</u>	<u>\$ 7,632,910</u>

Note 4 - Fair Value Measurement

ASC 820, "Fair Value Measurements and Disclosures," establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Organization measures fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability at the measurement date.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 4 - Fair Value Measurement (Cont.)

The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and are, therefore classified within Level 1, include cash and money market funds, active listed mutual funds and exchange-traded funds, and equity securities held in brokerage accounts.

Investments that trade in markets that are not considered to be active, but are valued based on inputs other than quoted prices that are observable, including inputs in markets that are not considered to be active, are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non-transferability, which are generally based on available market information. Level 2 investments include fixed income securities held in brokerage accounts.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 4 - Fair Value Measurement (Cont.)

Liabilities classified within Level 3 have significant unobservable inputs. Level 3 instruments include a charitable gift annuity payable. The Organization uses the actuarial method of recording annuity contracts. Under this method, when a gift is received, the present value of the aggregate annuity payable is recorded as a liability, based upon life expectancy tables. The charitable gift annuity liability account is credited with investment income and gains and is charged with investment losses and payments to the beneficiary. Periodic adjustments are made between the liability account and the revenue account for actuarial gains and losses. The actual liability is based on the present value of future payments discounted at 4.20% and 3.60% as of June 30, 2023 and 2022, respectively, over estimated lives using group annuity mortality tables.

There have been no changes in investment valuation technique or inputs.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy as of:

<u>June 30, 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and money market funds	\$ 2,208,503	\$ -	\$ -	\$ 2,208,503
Fixed income securities	-	12,129,992	-	12,129,992
Equity securities	843,909	-	-	843,909
Mutual funds and exchange-traded funds	5,938,586	-	-	5,938,586
Total investments	<u>\$ 8,990,998</u>	<u>\$12,129,992</u>	<u>\$ -</u>	<u>\$21,120,990</u>
Liabilities				
Charitable gift annuity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,097</u>	<u>\$ 56,097</u>
<u>June 30, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and money market funds	\$ 144,893	\$ -	\$ -	\$ 144,893
Fixed income securities	-	1,168,271	-	1,168,271
Equity securities	729,428	-	-	729,428
Mutual funds and exchange-traded funds	5,590,318	-	-	5,590,318
Total investments	<u>\$ 6,464,639</u>	<u>\$ 1,168,271</u>	<u>\$ -</u>	<u>\$ 7,632,910</u>
Liabilities				
Charitable gift annuity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,081</u>	<u>\$ 41,081</u>

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 4 - Fair Value Measurement (Cont.)

The following table reconciles the beginning and ending balances of the Organization's liabilities measured at fair value using significant unobservable inputs (Level 3) for the years ended June 30, 2023 and 2022:

	June 30, 2023 Charitable Gift Annuity	June 30, 2022 Charitable Gift Annuity
Balance, beginning of year	\$ 41,081	\$ 43,529
Contributions recognized	17,592	-
Payments to beneficiaries	(13,051)	(12,341)
Actuarial adjustments	10,475	9,893
Balance, end of year	<u>\$ 56,097</u>	<u>\$ 41,081</u>

Note 5 - Property and Equipment

Property and equipment are as follows at June 30:

	2023	2022
Land	\$ 6,677,099	\$ 6,674,584
Buildings and improvements	28,638,227	27,585,824
Vehicles	-	41,950
Furniture and equipment	3,143,780	2,937,310
Construction in progress	1,991,759	121,915
	40,450,865	37,361,583
Less accumulated depreciation	<u>(14,126,952)</u>	<u>(13,197,324)</u>
	<u>\$ 26,323,913</u>	<u>\$ 24,164,259</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$1,551,296 and \$1,435,151, respectively.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 6 - Notes and Mortgages Payable/Line of Credit

The following summarizes notes and mortgages payable at June 30:

	<u>2023</u>	<u>2022</u>
<u>Bello Machre, Inc.</u>		
Various mortgages secured by residential houses and guaranteed by Human Service Renovations, Inc. Aggregate monthly payments of approximately \$103,000 include interest at rates ranging from 0% to 7.44%. Maturity dates range from 2024 to 2053.	\$ 16,406,007	\$ 14,302,389
Various renovation deferred mortgages and rollover deferred mortgages, to be repaid on the earlier of sale of property or thirty years from date of mortgage. Maturity dates range from 2024 to 2035. Interest at 0%.	694,569	786,253
<u>Human Service Renovations, Inc.</u>		
Various mortgages secured by residential houses. Aggregate monthly payments of approximately \$21,500 include interest at rates ranging from 0% to 7.25%. Maturity dates range from 2030 to 2052.	<u>3,644,610</u>	<u>3,985,776</u>
Total notes and mortgages payable	20,745,186	19,074,418
Less debt issuance costs, net	(6,370)	(7,335)
Less discount	(34,567)	(11,873)
Less current maturities	<u>(541,823)</u>	<u>(456,513)</u>
Notes and mortgages payable, long-term	<u>\$ 20,162,426</u>	<u>\$ 18,598,697</u>

The Organization has entered into certain participation mortgage loans with Maryland Department of Housing and Community Development (DHCD). These loans totaled \$913,135 and \$1,135,177 as of June 30, 2023 and 2022, respectively. These agreements entitle DHCD to 25% to 50% of the appreciation, as defined in the agreement, upon sale, refinancing, or transfer of the related property; upon ceasing use of the related property for its stated purpose; or default or maturity of the related note. At June 30, 2023 and 2022, the Organization has recorded a participation liability of \$55,637 and \$65,502, respectively, and a related mortgage loan discount of \$34,567 and \$11,873, respectively, in connection with these agreements.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 6 - Notes and Mortgages Payable/Line of Credit (Cont.)

Future maturities of the notes and mortgages are as follows:

<u>Year Ending June 30</u>	
2024	\$ 541,823
2025	551,499
2026	573,542
2027	602,736
2028	621,427
Thereafter	<u>17,854,159</u>
	<u>\$ 20,745,186</u>

Bello Machre, Inc. entered into an agreement for a revolving line of credit on December 8, 2014 in the amount of \$2,000,000 bearing interest at Wall Street Journal Prime. The line of credit is due on demand. There was no balance outstanding at June 30, 2023 and 2022.

Bello Machre, Inc. entered into an agreement for a revolving unsecured line of credit with a local bank in the amount of \$2,000,000 bearing interest at The Wall Street Journal Prime Rate plus 0.5%, subject to a floor of 5% and a ceiling of 18%. The line of credit renews annually and is due on demand. There was no balance outstanding at June 30, 2023 and 2022.

Bello Machre, Inc. entered into an agreement with a local bank for a revolving unsecured line of credit in the amount of \$50,000, with an interest rate of the prime lending rate plus 2% and a minimum rate of 5%. This loan is payable on demand and will be in effect through the close of all mortgages held by the bank. Human Service Renovations, Inc. is the guarantor of the line of credit. There was no balance outstanding at June 30, 2023 and 2022.

During the year ending June 30, 2022, Bello Machre, Inc. entered into an agreement for a construction to permanent mortgage in the amount of \$3,800,000 with a local bank. Interest only payments are due on the loan for a period of twelve months. After twelve months, the loan will convert to a permanent mortgage, and calls for 180 monthly payments sufficient to fully amortize the loan over a period of 300 months, with a balloon payment after 180 months of all remaining principal and interest due on the loan. Proceeds from the loan were used to repay approximately \$778,000 of existing mortgages and to pay for fees associated with the loan totaling approximately \$65,000. The remaining available proceeds totaling approximately \$2,957,000 will be used to finance the renovation of the Organization's main office complex (see Note 18). As of June 30, 2023, the mortgage has been included in mortgages payable in the accompanying consolidated statement of financial position.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 6 - Notes and Mortgages Payable/Line of Credit (Cont.)

Among other restrictions, the aforementioned line of credit and construction loan contain financial covenants, which must be maintained by the Organization. The Organization is in compliance with the financial covenants, which include:

- a. Maintain minimum liquidity of \$2,000,000 (cash and securities available for operations and payment of debt service).
- b. Maintain a debt service coverage ratio of not less than 1.25 to 1.00.

Note 7 - Operating Lease

The Organization has entered into several lease agreements for vehicles. The leases are for 16 to 35 months expiring from August 2023 through May 2025 and require monthly payments ranging from \$539 to \$742.

The Organization has recognized an operating right of use asset in exchange for an operating lease liability, initially measured at the present value of the lease payments in the consolidated statement of financial position. The Organization used the risk free rate of return (discount rate) at the adoption date of *ASU 2016-02* to calculate present value of the lease payments. The present value of the operating lease right of use asset for the year ended June 30, 2023 amounted to \$538,353. The operating lease liability for the year ended June 30, 2023 amounted to \$538,892.

Future minimum lease payments required under these leases are as follows for future years ending June 30:

2024	\$ 366,358
2025	<u>212,740</u>
Total undiscounted cash flows	579,098
Less: present value discount	<u>(40,206)</u>
Lease liability	<u><u>\$ 538,892</u></u>

Total lease expense under these agreements for the year ended June 30, 2023 was approximately \$385,000.

The weighted average remaining lease term for the operating lease at June 30, 2023 was 20 months. The weighted average discount rate for the operating lease at June 30, 2023 was 9.31%.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 8 - Financing Lease Obligations

The Organization leases office equipment and vehicles under various financing lease arrangements that expire in the upcoming years through 2029. The lease terms range from 36 months to 78 months. The lease obligations are made in monthly installments, whose amounts vary based on the fair market value of the personal property and interest rate.

The financing leases have been capitalized and recorded as financing lease right of use assets in the consolidated statement of financial position. The financing lease obligations have been recorded in the consolidated financial statements at the present value of future minimum lease payments, discounted at various lease implicit rates. The capitalized cost of the leased equipment amounted to \$1,073,457 as of June 30, 2023. At June 30, 2023, the book value net of amortization of the financing leases was \$928,226.

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

2024	\$ 257,334
2025	257,334
2026	213,084
2027	186,086
2028	171,817
Thereafter	<u>60,372</u>
Total undiscounted cash flows	1,146,027
Less: present value discount	<u>(197,885)</u>
Total financing lease liabilities	<u>\$ 948,142</u>

Amortization expense on the lease equipment was \$145,231 for the year ended June 30, 2023 and is included in depreciation and amortization expense on the consolidated statement of activities.

The weighted average remaining lease term for the financing leases as of June 30, 2023 amounted to 58 months. The weighted – average discount rate for finance leases as of June 30, 2023 was 8.26%.

Note 9 - Accrued Leave

Bello Machre, Inc. grants accrued leave to employees based on years of service with the Organization. Employees are permitted to carry over a maximum of twenty-five days from one year to the next. The liability for accrued leave at June 30, 2023 and 2022 was \$792,354 and \$639,773, respectively.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 10 - Charitable Gift Annuities Payable

The Organization has received cash donations under charitable gift annuity agreements. In consideration of the gifts, the Organization agrees to pay annuities to the donors, over the lives of the donors. Annuity payments and changes in the annuity payable for life expectancy changes of donors amounted to an increase (decrease) of \$15,016 and \$(2,448) for the years ended June 30, 2023 and 2022, respectively.

Based on donor life expectancies and the use of a discount rate of 4.20% the fair value of the charitable gift annuities is the present value of future obligations expected to be paid by the Organization and is estimated to be \$56,097, which is recorded as a current liability of \$13,051 and a long-term liability of \$43,046 in the consolidated statement of financial position as of June 30, 2023. As of June 30, 2022, based on donor life expectancies and the use of a discount rate of 3.60%, the present value of future obligation expected to be paid by the Organization was estimated to be \$41,081 which was recorded as a current liability of \$12,341 and a long term liability of \$28,740. Contribution revenues recognized under these agreements for the years ended June 30, 2023 and 2022 was \$17,592 and \$-0-, respectively.

Note 11 - Retirement Plan

Effective January 1, 2021, the Organization established a tax-deferred annuity plan under Internal Revenue Code Section 403(b). The plan is a defined contribution plan covering all employees of Bello Machre, Inc. Employees may elect to defer a portion of their compensation into the plan. The Organization may make a discretionary matching contribution to eligible employees who have completed three months of service with the Organization. For the years ending June 30, 2023 and 2022, the Organization made discretionary matching contributions totaling \$47,816 and \$28,788, which is included in employee benefits on the consolidated statement of functional expenses.

Note 12 - Related Party Transactions

Rental Income/Expense

Bello Machre, Inc. leases residential homes from Human Service Renovations, Inc. Intercompany rental income and expenses totaled \$174,692 and \$151,253 for the years ended June 30, 2023 and 2022, respectively. The intercompany accounts and transactions have been eliminated in consolidation.

Donated Income / Expense

Human Service Renovations receives donations from Bello Machre, Inc. Intercompany donation income and expenses totaled \$213,795 for each of the years ended June 30, 2023 and 2022. The intercompany accounts and transactions have been eliminated in consolidation.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 12 - Related Party Transactions (Cont.)

Due to Bello Machre, Inc./Due from Human Service Renovations, Inc.

Bello Machre, Inc. and Human Service Renovations, Inc. periodically loan funds to each other for cash flow needs. As of June 30, 2023, Human Service Renovations, Inc. advanced funds to Bello Machre, Inc., totaling \$348,285. As of June 30, 2022, Bello Machre, Inc. advanced funds to Human Service Renovations, Inc. totaling \$437,695. These intercompany loans have been eliminated in consolidation.

Building Improvements

The Organization uses the services of a company owned by an officer's spouse for general construction and repairs of residential homes. Total amounts paid to the company were approximately \$124,000 and \$466,000 for the years ended June 30, 2023 and 2022, respectively.

Purchase of Service

The Organization receives services from a member of the Board of Directors for client services. Total amounts paid were approximately \$-0- and \$46,000 for the years ended June 30, 2023 and 2022, respectively.

Banking

The Organization has a banking and lending relationship with a local bank. A Board member is a senior vice president with the bank. The total value of all cash and cash equivalents held by the bank were approximately \$395,000 and \$253,000 as of June 30, 2023 and 2022, respectively. The money market account held by the bank was closed subsequent to year end. The total liability for all notes and mortgages payable held by the bank were approximately \$2,756,000 and \$843,000 as of June 30, 2023 and 2022, respectively. The Organization has a revolving unsecured line of credit available with the bank totaling \$2,000,000.

The Organization has a banking and lending relationship with a local bank. A Board member, who joined the Board for the year ending June 30, 2023, is also a Board member of the bank. The total value of all cash and cash equivalents held by the bank were approximately \$154,000 as of June 30, 2023.

Real Estate Services

The Organization receives services from a title company owned by a member of the Board of Directors to assist in real estate transactions. Total direct fees paid were \$10,000 and \$10,700 for the years ending June 30, 2023 and 2022, respectively.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 13 - Significant Funding Source/Contingency

Bello Machre, Inc. recognized approximately 90% and 93% of its revenue, from the State of Maryland Department of Health during the years ended June 30, 2023 and 2022, respectively. Bello Machre, Inc. is highly dependent on the State of Maryland Department of Health to continue its operations.

Bello Machre, Inc. receives a substantial portion of its revenue from governmental grants and contracts, all of which are subject to audits by the government. Until such audits have been completed and final settlement reached, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management of the Organization is of the opinion that no significant liability will result from audit adjustments, if any.

Note 14 - Beneficiary of Charitable Trust

The Organization is a beneficiary of a charitable trust and will receive an annual distribution equal to 5% of the total annual trust distribution to all beneficiaries. The funds are to be used to assist the Organization to carry out its charitable purposes and shall not be used to pay general and administrative expenses. The Organization's distribution for the years ended June 30, 2023 and 2022 was \$54,051 and \$57,196, respectively.

Note 15 - Net Assets Without Donor Restrictions - Board-Designated / Quasi-Endowment

As of June 30, 2023 and 2022, the Board of Directors had designated \$7,765,764 and \$6,547,406, respectively, of net assets without donor restrictions as a general endowment fund/quasi-endowment (referred to as the "Legacy Fund") to support the mission of the Organization. Since that amount resulted from internal designations and is not donor-restricted, it is classified and reported as net assets without donor restrictions, a Board-designated/quasi-endowment fund.

The Organization has an investment policy for the Legacy Fund that states the objective of growth of capital at a real rate of return necessary to preserve the purchasing power of the assets while producing income for use in the Organization's operating budget. The overall level of risk should be consistent with a conservative portfolio seeking growth of capital and income. To achieve this objective, the Organization seeks to invest the Legacy Fund only in high quality investment vehicles, to have the Legacy Fund managed professionally, and to evaluate investments within the overall risk characteristics of all the investments in the Legacy Fund as a whole.

The Organization has a spending policy that allows the Organization to either use the earnings to support the day-to-day operations of Bello Machre, Inc. or reinvest the earnings in the Legacy Fund, when financially feasible, at management's discretion (with Board approval). Each year the Board of Directors approves a distribution of up to 5% of the Legacy Fund assets (based on the fair market value of the Legacy Fund at the beginning of the fiscal year) in coordination with the preparation of the Organization's annual budget. There were no distributions from the Legacy Fund for the year ending June 30, 2023 and 2022.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 15 - Net Assets Without Donor Restrictions - Board-Designated / Quasi-Endowment (Cont.)

Composition of and changes in Board-designated endowment net assets were as follows for the years ended June 30:

	2023	2022
Board-designated endowment net assets, beginning of year	\$ 6,547,406	\$ 5,886,801
Investment income, net of management fees	131,404	47,472
Net appreciation (depreciation)	393,807	(735,157)
Contributions and donated securities	693,147	1,348,290
Amounts appropriated for expenditure	-	-
	<u>\$ 7,765,764</u>	<u>\$ 6,547,406</u>

Note 16 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	2023	2022
Phillips Charitable Foundation, Inc. grant to be used to fund construction of a fully wheelchair-accessible home located in Hanover, Maryland.	\$ -	\$ 116,500

Note 17 - Commitments

Bello Machre, Inc. is required to have a letter of credit with a local bank in the amount of approximately \$187,000 under the State of Maryland Department of Labor, Licensing and Regulation, expiring September 2023. The letter of credit is used as collateral against any claims under their nursing assistant training program and Maryland unemployment, respectively.

Note 18 - Comprehensive Campaign

The Organization began the silent phase of the comprehensive campaign during the year ended June 30, 2022. The campaign is designed to raise support for two vital capital initiatives and to increase gifts and commitments to the Legacy Fund.

The two capital initiatives include: (1) \$5,000,000 to build three to five new fully accessible residential homes and (2) \$5,000,000 to construct and renovate three new buildings for the Organization's main office complex. As of June 30, 2023, approximately \$2,947,000 has been spent on the renovation of two buildings for the Organization's main office complex.

The campaign seeks to increase the Legacy Fund to \$15,000,000 gifts and commitments by 2025 to be contributed to three areas: (1) expanding the Ray of Hope Program, (2) bridge the gap in state funding, and (3) retention and growth of exceptional staff.

Bello Machre, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 19 - Subsequent Events

The Organization has evaluated the impact of significant subsequent events. Except as disclosed below, there have been no subsequent events through September 11, 2023, the date the Organization's consolidated financial statements were available to be issued, that require recognition or disclosure.

In July 2023, the Organization sold one of its residential homes for a contract price of \$500,000.

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning		and ending	
A Name of plan		B Three-digit plan number (PN) ►	
C Plan sponsor's name as shown on line 2a of Form 5500		D Employer Identification Number (EIN)	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f		

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l		
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name:

(2) EIN:

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a			

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b			
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d			
e Was this plan covered by a fidelity bond?			
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k			
l Has the plan failed to provide any benefit when due under the plan?			
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☐ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.			

Attachment to 2022 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BELLO MACHRE, INC 403(B) PLAN

EIN: 52-0915574

Plan Sponsor's Name Bello Machre, Inc

PN: 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Legg Mason	Western Asset Core Bond IS	0	2,088
	iShares	iShares U.S. Aggregate Bond Index K	0	2,371
	American Century	American Century Infl-Adj Bond R6	0	8,335
	Loomis Sayles	Loomis Sayles Global Bond Fund N	0	3,998
	BlackRock	BlackRock High Yield Bond K	0	5,984
	John Hancock	JHancock Disciplined Value R6	0	4,677
	Legg Mason	ClearBridge Appreciation IS	0	27,325

Attachment to 2022 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BELLO MACHRE, INC 403(B) PLAN

EIN: 52-0915574

Plan Sponsor's Name Bello Machre, Inc

PN: 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard 500 Index Adm	0	66,472
	BNY Mellon	BNY Mellon Research Growth Y	0	3,676
	T. Rowe Price	T. Rowe Price Blue Chip Growth I	0	6,995
	Vanguard	Vanguard Mid Cap Index Adm	0	15,538
	Vanguard	Vanguard Small-Cap Index Adm	0	2,234
	Legg Mason	ClearBridge Small Cap Growth IS	0	6,841
	MFS	MFS Research International R6	0	161

Attachment to 2022 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BELLO MACHRE, INC 403(B) PLAN

EIN: 52-0915574

Plan Sponsor's Name Bello Machre, Inc

PN: 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Vanguard Total Intl Stock Index Adm	0	11,486
	JP Morgan	JPMorgan Emerging Markets Equity R6	0	4,606
	Cohen & Steers	Cohen & Steers Global Realty Shares Z	0	488
	T. Rowe Price	T. Rowe Price Retirement I 2020 I	0	12,584
	T. Rowe Price	T. Rowe Price Retirement I 2025 I	0	21,277
	T. Rowe Price	T. Rowe Price Retirement I 2030 I	0	19,996
	T. Rowe Price	T. Rowe Price Retirement I 2035 I	0	117,461

Attachment to 2022 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BELLO MACHRE, INC 403(B) PLAN

EIN: 52-0915574

Plan Sponsor's Name Bello Machre, Inc

PN: 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	T. Rowe Price	T. Rowe Price Retirement I 2040 I	0	8,794
	T. Rowe Price	T. Rowe Price Retirement I 2045 I	0	35,976
	T. Rowe Price	T. Rowe Price Retirement I 2050 I	0	48,977
	T. Rowe Price	T. Rowe Price Retirement I 2055 I	0	15,851
	T. Rowe Price	T. Rowe Price Retirement I 2060 I	0	31,529
	Participant's Loan Account	Various Rates and Maturities	0	3,319