



**TASKS UNLIMITED, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



# TASKS UNLIMITED, INC.

## CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Tasks Unlimited, Inc.  
Minneapolis, Minnesota

### Opinion

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tasks Unlimited, Inc. and affiliates, as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tasks Unlimited, 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 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.

(Continued)

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 Tasks Unlimited, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tasks Unlimited, 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 Tasks Unlimited, 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.

### **Other Information Included in the Organization's Annual Report**

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

(Continued)

### **Report on Summarized Comparative Information**

We have previously audited Tasks Unlimited, Inc.'s 2021 consolidated financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated June 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 20 and 21 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2023 on our consideration of Tasks Unlimited, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tasks Unlimited, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tasks Unlimited, Inc.'s internal control over financial reporting and compliance.

June 7, 2023

*Mahoney Ulbrich*  
*Christiansen & Russ, PA*

**TASKS UNLIMITED, INC.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022  
(With Comparative Totals for 2021)

	2022	2021
ASSETS		
Current assets:		
Cash	\$ 1,876,746	\$ 2,703,420
Accounts receivable, net	993,370	1,471,391
Investments	2,902,652	2,960,989
Contributions and grants receivable	153,247	138,784
Prepaid expenses	88,511	195,518
Total current assets	<u>6,014,526</u>	<u>7,470,102</u>
Property and equipment, net	4,147,404	4,884,981
Property held for sale	<u>81,117</u>	<u>106,381</u>
Total assets	<u>\$ 10,243,047</u>	<u>\$ 12,461,464</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 169,692	\$ 161,461
Accrued expenses	516,403	983,514
Current portion of debt	<u>113,000</u>	<u>88,000</u>
Total current liabilities	799,095	1,232,975
Due to Envision Communities, Inc.	256,353	-
Debt, less current portion	<u>2,427,624</u>	<u>3,074,307</u>
Total liabilities	<u>3,483,072</u>	<u>4,307,282</u>
Net assets without donor restrictions		
Board designated	-	344,291
Undesignated	<u>6,462,428</u>	<u>7,061,453</u>
Total net assets without donor restrictions	6,462,428	7,405,744
Net assets with donor restrictions	<u>297,547</u>	<u>748,438</u>
Total net assets	<u>6,759,975</u>	<u>8,154,182</u>
Total liabilities and net assets	<u>\$ 10,243,047</u>	<u>\$ 12,461,464</u>

See accompanying notes to consolidated financial statements.

**TASKS UNLIMITED, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues and support:				
Employment revenue	\$ 5,313,942	\$ -	\$ 5,313,942	\$ 5,619,879
Government grants and contracts	3,022,782	-	3,022,782	2,906,401
Program service fees	1,042,807	-	1,042,807	1,507,234
Contributions	286,272	143,329	429,601	458,971
Loan forgiveness	85,000	-	85,000	1,207,500
Client service fees	723,159	-	723,159	747,747
Other income	19,273	-	19,273	20,754
Investment income (loss), net	(56,890)	-	(56,890)	8,740
Net assets released from restrictions	337,867	(337,867)	-	-
Total revenues and support	<u>10,774,212</u>	<u>(194,538)</u>	<u>10,579,674</u>	<u>12,477,226</u>
Expenses:				
Program services:				
Vocational rehabilitation	5,918,615	-	5,918,615	5,838,444
Mental health	1,995,534	-	1,995,534	1,803,081
Training center	934,028	-	934,028	819,007
Lodge program	887,445	-	887,445	761,129
Outreach services	437,721	-	437,721	421,858
Total program services	<u>10,173,343</u>	<u>-</u>	<u>10,173,343</u>	<u>9,643,519</u>
Management and general	1,703,873	-	1,703,873	1,626,363
Fundraising	202,200	-	202,200	224,282
Total expenses	<u>12,079,416</u>	<u>-</u>	<u>12,079,416</u>	<u>11,494,164</u>
Change in net assets before nonoperating activity	(1,305,204)	(194,538)	(1,499,742)	983,062
Gain on sale of properties	381,969	-	381,969	-
Return of grant funds	(20,081)	-	(20,081)	-
Separation payment to Envision	-	(256,353)	(256,353)	-
Change in net assets	(943,316)	(450,891)	(1,394,207)	983,062
Net assets, beginning of year	<u>7,405,744</u>	<u>748,438</u>	<u>8,154,182</u>	<u>7,171,120</u>
Net assets, end of year	<u>\$ 6,462,428</u>	<u>\$ 297,547</u>	<u>\$ 6,759,975</u>	<u>\$ 8,154,182</u>

See accompanying notes to consolidated financial statements.

TASKS UNLIMITED, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	2022								2021	
	Program Services					Management and general	Fund-raising	Total		
	Vocational rehabilitation	Mental health	Training center	Lodge program	Outreach services				Total program services	
Salaries	\$ 3,622,281	\$ 1,458,923	\$ 744,513	\$ 193,965	\$ 307,556	\$ 6,327,238	\$ 738,865	\$ 132,411	\$ 7,198,514	\$ 6,897,274
Payroll taxes	282,136	108,078	55,012	13,031	25,421	483,678	50,719	9,543	543,940	515,861
Benefits	910,960	156,662	64,910	29,852	19,376	1,181,760	73,000	12,180	1,266,940	1,288,750
<b>Total salaries and related</b>	<b>4,815,377</b>	<b>1,723,663</b>	<b>864,435</b>	<b>236,848</b>	<b>352,353</b>	<b>7,992,676</b>	<b>862,584</b>	<b>154,134</b>	<b>9,009,394</b>	<b>8,701,885</b>
Occupancy	-	-	-	7,547	4,629	12,176	7,335	908	20,419	14,899
Building maintenance, IT, and security	345,389	8,357	5,284	55,743	1,162	415,935	210,032	-	625,967	745,377
Utilities	147,694	717	314	114,911	-	263,636	3,123	-	266,759	174,740
Subscriptions and memberships	1,155	10,036	8,218	1,747	786	21,942	7,346	159	29,447	25,563
Professional fees and contracts	206,433	58,183	-	14,954	20,680	300,250	418,443	39,750	758,443	477,931
Transportation	26,227	80,335	3,352	5,364	5,638	120,916	15	16	120,947	116,640
Equipment expense	20,943	10,320	4,069	14,576	9,939	59,847	21,060	61	80,968	119,467
Insurance expense	12,909	5,183	1,728	48,023	375	68,218	29,969	-	98,187	87,074
Supplies	270,146	24,935	24,708	21,340	3,470	344,599	3,045	288	347,932	346,858
Printing and postage	-	-	80	-	772	852	4,019	5,040	9,911	20,832
Bank, payroll, and other fees	1,072	-	-	52	-	1,124	23,064	210	24,398	23,820
Bad debt expense	-	10,000	-	15,000	-	25,000	-	-	25,000	25,000
Meals and entertainment	534	3,000	647	30	7,166	11,377	4,059	-	15,436	8,827
Telephone	14,684	13,694	17,436	3,148	2,412	51,374	34,629	544	86,547	85,765
Internet	14,910	26	2,317	11,569	-	28,822	3,665	-	32,487	18,456
Depreciation	35,387	46,164	964	334,617	-	417,132	31,087	929	449,148	460,776
Miscellaneous expenses	5,755	921	476	1,976	28,339	37,467	40,398	161	78,026	40,254
	<u>\$ 5,918,615</u>	<u>\$ 1,995,534</u>	<u>\$ 934,028</u>	<u>\$ 887,445</u>	<u>\$ 437,721</u>	<u>\$ 10,173,343</u>	<u>\$ 1,703,873</u>	<u>\$ 202,200</u>	<u>\$ 12,079,416</u>	<u>\$ 11,494,164</u>
Allocation percentages	<u>49%</u>	<u>17%</u>	<u>8%</u>	<u>7%</u>	<u>3%</u>	<u>84%</u>	<u>14%</u>	<u>2%</u>	<u>100%</u>	

See accompanying notes to consolidated financial statements.



**TASKS UNLIMITED, INC.**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,394,207)	\$ 983,062
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	449,148	460,776
Loss on investments	58,337	37,625
Loan forgiveness	(85,000)	(1,207,500)
Gain on sale of properties	(381,969)	-
Changes in operating assets and liabilities:		
Accounts receivable	478,021	(574,199)
Contributions and grants receivable	(14,463)	38,925
Prepaid expenses	107,007	(32,241)
Accounts payable	8,231	99,019
Accrued expenses	(209,441)	329,710
Net cash from operating activities	<u>(984,336)</u>	<u>135,177</u>
Cash flows from investing activities:		
Payments for property and equipment	(649,338)	(696,383)
Proceeds from sale of properties	1,345,000	-
Purchase of investments	-	(414,344)
Net cash from investing activities	<u>695,662</u>	<u>(1,110,727)</u>
Cash flows from financing activities:		
Repayment of debt	(538,000)	(2,750)
Net cash from financing activities	<u>(538,000)</u>	<u>(2,750)</u>
Net decrease in cash	(826,674)	(978,300)
Cash - beginning of year	<u>2,703,420</u>	<u>3,681,720</u>
Cash - end of year	<u>\$ 1,876,746</u>	<u>\$ 2,703,420</u>
Supplemental disclosures of cash flow information:		
Transfers of property and equipment to property held for sale	<u>\$ 81,117</u>	<u>\$ 106,381</u>

See accompanying notes to consolidated financial statements.

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

### 1. ORGANIZATION

The mission of Tasks Unlimited, Inc. (Tasks Unlimited) is to assist adult residents of Minnesota who have severe and persistent mental illness, which impairs their ability to secure or maintain employment or to live independently. The goal is to enhance their adaptation to their illness and assist them in maximizing self-sufficiency, productivity, and self-esteem. Tasks Unlimited seeks to fulfill this purpose by providing an array of integrated programs featuring vocational services. Tasks Unlimited is organized as a parent corporation and five subsidiary corporations, each with a specific pragmatic function designed to complement each other.

**Tasks Unlimited, Inc. (TUI)** is the parent corporation that provides administrative, management, and staffing services for each of the subsidiary corporations on a contractual basis. It has the responsibility for fundraising and development. TUI also provides outreach services. In July 2021, TUI incorporated Envision Communities, Inc. which will provide an intentional community exemplifying principles of peer support and independence for persons who are homeless, at risk of being homeless, or experiencing housing instability.

**Tasks Unlimited Training Center (TTC)** is an entry point to the system of care by providing evaluation, screening, training, and rehabilitation services. The Training Center prepares people for the Lodge Program or other community options. The residential component is licensed as a Rule 36-Fairweather variance intensive residential treatment program by the Department of Human Services, and as a boarding and lodging facility by the City of St. Louis Park.

**Tasks Unlimited Lodges (TUL)** is a property management and leasing corporation that owns and maintains the buildings used for the lodge program and for administrative services.

**Tasks Unlimited Building Services (TUBS)** employs and provides vocational services to all clients in the Tasks Unlimited continuum of care under contract to the Minnesota Department of Rehabilitation Services. Vocational services are nationally accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF).

**Tasks Unlimited Mental Health Services (TUMHS)** provides an array of psychological and mental health services including supportive counseling, financial planning, case management, information and referral, psychiatric consultation and medication monitoring, and recreation and leisure activities to Lodge residents and nonresidential JOB\$ clients under contracts with Hennepin, Ramsey, Anoka and Dakota counties.

Revenue and support are primarily from contributions, government grants and contracts, employment revenue, program and client service fees, and investment income.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Principles of Consolidation** - The consolidated financial statements of Tasks Unlimited include the accounts of TTC, TUL, TUBS, and TUMHS. Significant inter-company transactions have been eliminated. The Board of Directors of Tasks Unlimited controls each corporation with its ability to select a majority of the members of each corporation's board of directors.

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

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

- Without donor restrictions represent the portion of net assets that are not subject to donor restrictions.
- With donor restrictions represents net assets that arose from contributions that are restricted by donors for specific purposes or time periods.

Tasks Unlimited has presented gains from sale of properties, returned grant funds, and the separation payment separate from operating results because Tasks Unlimited believes the presentation better assists users of the financial statements with analyzing its operating results.

**Cash Equivalents** - Tasks Unlimited considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

**Fair Value Measurements** - Tasks Unlimited determines fair value, when necessary, based on the assumptions that market participants would use when pricing the asset or liability. Valuation inputs are categorized using the following fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs that are observable, directly or indirectly, other than the quoted prices included in Level 1; and
- Level 3 - inputs that are unobservable for the asset or liability, which are typically based on an organization's own assumptions, as there is little, if any, related market activity.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

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

**Investments** - Tasks Unlimited records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income or loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

**Accounts Receivable** - Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and Tasks Unlimited does not charge interest on accounts receivable balances. Tasks Unlimited reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. Tasks Unlimited provides an allowance for doubtful accounts based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. The allowance for doubtful accounts was \$100,915 and \$75,915 as of December 31, 2022 and 2021.

**Grants Receivable** - Unconditional grants are recognized in the period the promises are made. Conditional grants are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

**Property and Equipment** - All major expenditures for land, buildings, and equipment over \$1,000 are capitalized at cost. Contributed land, buildings, and equipment are recorded at fair market value at the date of donation. Depreciation of buildings and equipment is provided through the use of the straight-line method using estimated useful lives of individual assets.

Tasks Unlimited reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. To date, no impairment of long-lived assets has been recorded.

**Contributions** - Individual contributions and foundation grants are recognized when the donor makes an unconditional commitment to give. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and transferred to net assets without donor restrictions when restrictions expire. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

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

**Contributed Services and Materials** - Contributed materials are recorded as contributions at their estimated fair market value based on current rates for similar material in the period received. Contributed services are recorded as contributions at their estimated fair value based on current rates for similar services only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Fair value is estimated by management by reference to the appropriate market and type of goods and services donated. Tasks Unlimited utilizes donated goods and services in its programs and operations or according to any donor restrictions. Volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the specified criteria are not met (See note 8).

**Government Grants and Contracts** - Government grants and contracts are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are classified as deferred revenue in the accompanying statement of financial position. Expenditures under government contracts are subject to review by the granting authority.

To the extent, if any, that such a review reduces expenditures allowable under these contracts, Tasks Unlimited will record such disallowance at the time the final assessment is made.

*Grant awards that are contributions* – Unconditional grants are reported at fair value the date the grant is received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. Grants that qualify as conditional contributions are recorded as invoiced to the funding sources.

*Grant awards that are exchanges* – Grant and contract revenue is received from various funding agencies in exchange for specific services provided by Tasks Unlimited. Revenue is recognized at the time services are provided to which the grants and contracts are limited.

All government grants in receivables accounted as contributions are expected to be collected in 2023.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

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

**Employment Revenue** - Employment revenue from vocational services, such as janitorial and mail room services, are recognized at the time the service is provided. Contracts with the federal government are based on square footage and are billed monthly at a fixed rate. Contracts with local county governments are based on direct labor hours worked.

**Program Service Fees** - Tenants of TUL are billed monthly room rental fees at a flat rate based on unit type. Members of TUMHS are billed small monthly program service fees based on income or unearned income and applicable county rates. These fees are recorded as revenue at the time the service is provided.

**Client Services Fees** - Client service fees consist of fees for medical services and medical assistance are recorded at standard hourly rates. When the services are rendered, discounts are recorded to reduce standard fees to those negotiated with third-party payors and medical assistance. Accordingly, revenue is recorded net of these discounts.

**Functional Expenses** - Expenses are recorded to program and support services directly when possible. Payroll and related expenses are allocated based on actual full-time equivalents (FTE's) for salaried individuals, and directly to the program and support services for hourly workers. Other indirect expenses are allocated based on departmental budgets.

**Income Taxes** – TUI, TUL, TTC, TUBS, and TUMHS all have tax-exempt status under Section 501(c)(3) and are exempt from Minnesota income taxes under applicable Minnesota Statutes, except to the extent an entity has taxable income from activities that are not related to its exempt purpose. Management believes Tasks Unlimited does not have any unrelated business income or uncertain tax positions. Management evaluates the operations of each entity annually for uncertain tax positions, for potential income tax exposure from unrelated business income, and for the potential loss of nonprofit status.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

### 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, comprise the following:

	2022	2021
Cash	\$ 1,876,746	\$ 2,703,420
Accounts receivable, net	993,370	1,471,391
Investments	2,902,652	2,960,989
Contributions and grants receivable	153,247	138,784
	<u>5,926,015</u>	<u>7,274,584</u>
Less: unavailable for general expenditures within one year:		
Net assets with donor restrictions	(297,547)	(748,438)
Board designated net assets	-	(344,291)
Assets available for general expenditures within one year	<u>\$ 5,628,468</u>	<u>\$ 6,181,855</u>

As part of their liquidity plan, Tasks Unlimited has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. They also maintain an investment portfolio to get a higher return on excess cash. If needed, Tasks Unlimited has a \$1,000,000 line of credit available to aid in liquidity.

### 4. INVESTMENTS

Tasks Unlimited held the following investments as of December 31, 2022:

	Cost	Fair Value
Certificates of deposit	\$ 599,879	\$ 561,285
Municipal bonds	2,114,087	2,057,589
Mutual funds	3,979	4,086
Brokerage account cash	279,692	279,692
	<u>\$ 2,997,637</u>	<u>\$ 2,902,652</u>

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

#### 4. INVESTMENTS (Continued)

Tasks Unlimited held the following investments as of December 31, 2021:

	Cost	Fair Value
Certificates of deposit	\$ 700,000	\$ 692,166
Municipal bonds	2,070,919	2,070,022
Mutual funds	4,205	4,937
Brokerage account cash	193,864	193,864
	\$ 2,968,988	\$ 2,960,989

Investment income included the following as of December 31:

	2022	2021
Unrealized losses	\$(101,533)	\$(37,625)
Interest and dividend income, net	44,643	46,365
	\$ (56,890)	\$ 8,740

#### 5. FAIR VALUE MEASUREMENTS

Significant assets that were measured at fair value on a recurring basis were as follows as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 561,285	\$ -	\$ 561,285
Municipal bonds	-	2,057,589	-	2,057,589
Mutual funds	4,086	-	-	4,086
Brokerage account cash	-	-	-	279,692
	\$ 4,086	\$ 2,618,874	\$ -	\$ 2,902,652

Significant assets that were measured at fair value on a recurring basis were as follows as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 692,166	\$ -	\$ 692,166
Municipal bonds	-	2,070,022	-	2,070,022
Mutual funds	4,937	-	-	4,937
Brokerage account cash	-	-	-	193,864
	\$ 4,937	\$ 2,762,188	\$ -	\$ 2,960,989

(Continued)



## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

#### 5. FAIR VALUE MEASUREMENTS (Continued)

The valuation methodology used for investments measured at fair value are: mutual funds (Level 1) are valued based on quoted prices; certificates of deposit and municipal bonds (Level 2) are valued based on quoted prices provided by the investment brokerage company. There have been no changes in the methodology used.

#### 6. PROPERTY AND EQUIPMENT

	2022	2021	Estimated useful lives
Land	\$ 894,100	\$ 894,100	-
Buildings and improvements	7,185,248	8,127,522	5-27.5 years
Equipment and furnishings	2,041,118	1,957,745	3-5 years
Vehicles	397,473	397,473	5-7 years
Building improvements in progress	2,125	2,125	-
	<u>10,520,064</u>	<u>11,378,965</u>	
Less accumulated depreciation	<u>(6,372,660)</u>	<u>(6,493,984)</u>	
	<u>\$ 4,147,404</u>	<u>\$ 4,884,981</u>	

**Property held for sale** – Tasks Unlimited listed one of its housing properties for sale in 2021, when the net book value of the property was \$106,381.

Tasks Unlimited sold three properties during 2022, including the property held for sale at December 31, 2021.

As of December 31, 2022, Tasks Unlimited has one of its properties listed for sale with a net book value of \$81,117.

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

#### 7. DEBT

The breakdown of notes payable was as follows, as of December 31:

	2022	2021
Hennepin County	\$1,762,930	\$2,247,930
MHFA	74,800	209,800
Greater Minnesota Housing Fund	400,000	400,000
City of St. Paul HRA	166,644	165,327
New Hope EDA	15,000	18,000
NW Comm. Revitalization Corp./Hennepin County	88,000	88,000
City of Edina	33,250	33,250
	2,540,624	3,162,307
Less current portion	(3,000)	(3,000)
Less current portion (forgivable)	(110,000)	(85,000)
	\$2,427,624	\$3,074,307

**Hennepin County Mortgage Loans** - Mortgages payable without interest to Hennepin County Housing Community Works and Transit, with principal payments deferred until between 2023 and 2039. Mortgages are financed through U.S. Department of Housing and Urban Development (HUD) Home Investments Partnerships program.

**MHFA Mortgage Loans** - Mortgages payable without interest to Minnesota Housing Finance Agency, with principal payments deferred until 2025. Financed through a HUD program.

**Greater Minnesota Housing Fund Mortgage Loan** - Mortgages payable without interest to Minnesota Housing Finance Agency (Greater Minnesota Housing Fund), with principal payments deferred until 2037. Financed through a HUD program.

**City of St. Paul Housing and Redevelopment Authority (HRA) Loan** - Mortgage payable with 1% simple non-compounding interest to Housing and Redevelopment Authority. Principal and accrued interest are payable in August 2026. Financed through a HUD Program.

**New Hope Economic Development Authority Loan** - Mortgage payable without interest to New Hope Economic Development Authority, due in monthly installments of \$250 through September 2026. Default interest rate would be prime plus 2%.

(Continued)

**TASKS UNLIMITED, INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

**7. DEBT (Continued)**

**Northwest Community Revitalization Corp. and Hennepin County Mortgage Loan** - Mortgage payable without interest to Northwest Community Revitalization Corp. and Hennepin County in September 2026. Financed through a HUD Program.

**City of Edina Mortgage Loan** - Mortgage payable without interest to City of Edina due on resale.

Maturities of debt for the years ending December 31 are as follows:

2023	\$	113,000
2024		231,430
2025		502,300
2026		260,644
2027		200,000
Thereafter		1,233,250
	\$	<u>2,540,624</u>

**8. PAYCHECK PROTECTION PROGRAM LOAN**

In 2020, TUI received \$636,500 and TUBS received \$571,000 under the Paycheck Protection Program (PPP), which was developed in response to the COVID-19 pandemic. All of these loans were forgivable if the proceeds were used for payroll and other eligible costs in accordance with the requirements of the PPP. If the proceeds were not used in accordance with PPP guidelines, the loans were required to be repaid in monthly installments including interest at 1% through May 2022. Both TUI's and TUBS's PPP loans were forgiven on February 18, 2021.

**9. LINE OF CREDIT**

Tasks Unlimited maintains a \$1,000,000 line of credit with Wells Fargo Bank, due on demand which expired on April 1, 2022. Interest was due monthly, at the Wells Fargo prime rate plus .500% with a floor of 5.000%. The line of credit is secured by inventory, receivables, and equipment. In 2022 Tasks Unlimited renewed the line of credit for \$500,000, which will expire on July 1, 2023. Interest was due monthly, at the Wells Fargo applicable index plus .500%. At December 31, 2022 and 2021, there was no balance outstanding on the line of credit.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

### 10. NET ASSETS

**Net assets with donor restrictions** - Net assets with donor restrictions are for the following purposes:

	2022	2021
<b>Purpose Restriction:</b>		
Envision (tiny homes) project	\$ -	\$ 440,877
Capital repairs and improvements	135,397	133,904
Skills training	108,428	106,787
Telehealth project	-	16,408
Other	53,722	50,462
	<u>\$ 297,547</u>	<u>\$ 748,438</u>

**Board Designated** - The Board established a designated reserve with a balance of \$344,291 at December 31, 2021, as a source of cash for TUBS to hire staff to expand services and build new services to bridge the decrease in reimbursement rates for supported employment. The funds were utilized to offset the increased staff expenses during 2022.

### 11. RETIREMENT PLANS

Tasks Unlimited maintains two 403(b) plans for employees who meet eligibility requirements. The 403(b) Plan of Tasks Unlimited, Inc. and Tasks Unlimited Building Services allows employee elective deferrals and employer matching contributions. In 2022 and 2021, Tasks Unlimited matched 150% of employee contributions up to 4% of an employee's qualified wages.

The 401(a) Plan of Tasks Unlimited Building Services provides additional income for retirement for eligible employees. Employer contributions for each employee are calculated based the prevailing wage contract associated with that employee. Employee deferrals are not allowed under this plan.

Retirement plan expense was \$151,467 and \$147,795 for the 403(b) plan, and \$581,529 and \$651,481 for the 401(a) plan for the year ended December 31, 2022 and 2021, respectively.

### 12. CONCENTRATIONS AND CONTINGENCIES

Tasks Unlimited maintains its cash at two financial institutions. Balances may, at times, exceed federally insured limits. Tasks Unlimited has not experienced any losses as a result of these deposits. As of December 31, 2022 and 2021, deposits exceeded the federally insured limit by \$639,902 and \$1,011,976.

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2022  
(With Comparative Totals for 2021)

#### 12. **CONCENTRATIONS AND CONTINGENCIES (Continued)**

Tasks Unlimited provides services primarily within the Twin Cities area. The amounts due for services provided are substantially from local businesses, individuals, and governmental units.

A nationwide public health emergency began to develop in 2020. Many states have enacted measures to combat the global pandemic resulting from a novel strain of coronavirus known as COVID-19. Measures have included regulatory restrictions on individual and business activities as well as recommendations for further voluntary curtailment of activities. There has been no significant impact on Tasks Unlimited's operations. The future potential impact of these issues is unknown and therefore no estimate can be made at this time.

#### 13. **ENVISION COMMUNITIES, INC.**

Envision Communities, Inc. (Envision) was incorporated in July 2021. Envision originally was intended to be another affiliate of Tasks Unlimited. During its start-up, Tasks Unlimited received contributions for and incurred expenses on behalf of Envision. Effective December 2022, Tasks Unlimited and Envision entered into a separation agreement in which Tasks Unlimited relinquished control. In addition, Tasks Unlimited agreed to transfer the remaining unspent contributions to Envision.

#### 14. **SUBSEQUENT EVENTS**

In February 2023, Tasks Unlimited signed a professional fundraising contract requiring payments of \$4,500 a month for eleven months.

In May 2023, Tasks Unlimited sold the property held for sale for \$415,000 and had a gain on the sale of \$60,000.

Tasks Unlimited has evaluated other subsequent events through June 7, 2023, the date the financial statements were available to be issued.

## **CONSOLIDATING FINANCIAL STATEMENTS**

**TASKS UNLIMITED, INC.**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2022

	TUI	TUL	TTC	TUBS	TUMHS	Eliminations	Total
<b>ASSETS</b>							
Current assets:							
Cash	\$ 890,805	\$ -	\$ 316,270	\$ 507,934	\$ 161,737	\$ -	\$ 1,876,746
Accounts receivable, net	49,884	3,408	98,839	712,838	128,401	-	993,370
Investments	2,902,652	-	-	-	-	-	2,902,652
Contributions and grants receivable	88,339	-	-	64,908	-	-	153,247
Prepaid expenses	87,797	235	479	-	-	-	88,511
Total current assets	<u>4,019,477</u>	<u>3,643</u>	<u>415,588</u>	<u>1,285,680</u>	<u>290,138</u>	<u>-</u>	<u>6,014,526</u>
Due from intercompany	-	-	-	7,769,642	-	(7,769,642)	-
Property and equipment, net	104,586	3,896,630	11,658	58,310	76,220	-	4,147,404
Property held for sale	-	81,117	-	-	-	-	81,117
Total assets	<u>\$ 4,124,063</u>	<u>\$ 3,981,390</u>	<u>\$ 427,246</u>	<u>\$ 9,113,632</u>	<u>\$ 366,358</u>	<u>\$ (7,769,642)</u>	<u>\$ 10,243,047</u>
<b>LIABILITIES AND NET ASSETS</b>							
Current liabilities:							
Accounts payable	\$ 116,593	\$ 9,421	\$ -	\$ 33,601	\$ 10,077	\$ -	\$ 169,692
Accrued payroll	315,278	-	-	201,125	-	-	516,403
Current portion of debt	-	113,000	-	-	-	-	113,000
Total current liabilities	<u>431,871</u>	<u>122,421</u>	<u>-</u>	<u>234,726</u>	<u>10,077</u>	<u>-</u>	<u>799,095</u>
Due to intercompany	468,960	3,893,170	1,779,403	-	1,628,109	(7,769,642)	-
Due to Envision Communities, Inc.	256,353	-	-	-	-	-	256,353
Debt, less current portion	-	2,427,624	-	-	-	-	2,427,624
Total liabilities	<u>1,157,184</u>	<u>6,443,215</u>	<u>1,779,403</u>	<u>234,726</u>	<u>1,638,186</u>	<u>(7,769,642)</u>	<u>3,483,072</u>
Net assets:							
Without donor restrictions	2,669,332	(2,461,825)	(1,352,157)	8,878,906	(1,271,828)	-	6,462,428
With donor restrictions	297,547	-	-	-	-	-	297,547
Total net assets	<u>2,966,879</u>	<u>(2,461,825)</u>	<u>(1,352,157)</u>	<u>8,878,906</u>	<u>(1,271,828)</u>	<u>-</u>	<u>6,759,975</u>
Total liabilities and net assets	<u>\$ 4,124,063</u>	<u>\$ 3,981,390</u>	<u>\$ 427,246</u>	<u>\$ 9,113,632</u>	<u>\$ 366,358</u>	<u>\$ (7,769,642)</u>	<u>\$ 10,243,047</u>

See accompanying notes to consolidated financial statements.

TASKS UNLIMITED, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	TUI	TUL	TTC	TUBS	TUMHS	Eliminations	Total
Revenues and support:							
Employment revenue	\$ -	\$ -	\$ -	\$ 5,313,942	\$ -	\$ -	\$ 5,313,942
Government grants and contracts	415,029	-	924,630	-	1,683,123	-	3,022,782
Program service fees	-	-	-	1,042,807	-	-	1,042,807
Contributions	429,501	100	-	-	-	-	429,601
Loan forgiveness	-	85,000	-	-	-	-	85,000
Client service fees	-	359,110	97,788	-	266,261	-	723,159
Other income	1,194	129	-	1,148	16,802	-	19,273
Investment income, net	(56,937)	-	-	47	-	-	(56,890)
Intercompany rent	-	135,780	-	-	-	(135,780)	-
Total revenues and support	<u>788,787</u>	<u>580,119</u>	<u>1,022,418</u>	<u>6,357,944</u>	<u>1,966,186</u>	<u>(135,780)</u>	<u>10,579,674</u>
Expenses:							
Program services:							
Vocational rehabilitation	-	-	-	5,941,265	-	(22,650)	5,918,615
Mental health	-	-	-	-	2,043,410	(47,876)	1,995,534
Training center	-	-	976,786	-	-	(42,758)	934,028
Lodge program	-	887,445	-	-	-	-	887,445
Outreach services	445,812	-	-	-	-	(8,091)	437,721
Total program services	<u>445,812</u>	<u>887,445</u>	<u>976,786</u>	<u>5,941,265</u>	<u>2,043,410</u>	<u>(121,375)</u>	<u>10,173,343</u>
Management and general	1,716,690	-	-	-	-	(12,817)	1,703,873
Fundraising	203,788	-	-	-	-	(1,588)	202,200
Total expenses	<u>2,366,290</u>	<u>887,445</u>	<u>976,786</u>	<u>5,941,265</u>	<u>2,043,410</u>	<u>(135,780)</u>	<u>12,079,416</u>
Change in net assets before inter-entity allocations and nonoperating activity	(1,577,503)	(307,326)	45,632	416,679	(77,224)	-	(1,499,742)
Gain on sale of asset	-	381,969	-	-	-	-	381,969
Return of grant funds	(20,081)	-	-	-	-	-	(20,081)
Separation payment to Envision	(256,353)	-	-	-	-	-	(256,353)
Inter-entity administrative allocations	1,346,123	(69,936)	(141,198)	(862,209)	(272,780)	-	-
Change in net assets	(507,814)	4,707	(95,566)	(445,530)	(350,004)	-	(1,394,207)
Net assets, beginning of year	<u>3,474,693</u>	<u>(2,466,532)</u>	<u>(1,256,591)</u>	<u>9,324,436</u>	<u>(921,824)</u>	<u>-</u>	<u>8,154,182</u>
Net assets, end of year	<u>\$ 2,966,879</u>	<u>\$ (2,461,825)</u>	<u>\$ (1,352,157)</u>	<u>\$ 8,878,906</u>	<u>\$ (1,271,828)</u>	<u>\$ -</u>	<u>\$ 6,759,975</u>

See accompanying notes to consolidated financial statements.