



**TASKS UNLIMITED, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**



# TASKS UNLIMITED, INC.

## CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

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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, 2021, 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, 2021, 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 2020 consolidated financial statements and we expressed an unmodified opinion on those audited financial statements in our report dated June 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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 19 to 20 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 22, 2022 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 22, 2022

*Mahoney Ulbrich  
Christiansen Russ P.A.*

**TASKS UNLIMITED, INC.**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021  
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 2,703,420	\$ 3,681,720
Accounts receivable, net	1,471,391	897,192
Investments	2,960,989	2,584,270
Contributions and grants receivable	138,784	177,709
Prepaid expenses	195,518	163,277
Total current assets	<u>7,470,102</u>	<u>7,504,168</u>
Property and equipment, net	4,884,981	4,755,755
Property held for sale	<u>106,381</u>	<u>-</u>
Total assets	<u>\$ 12,461,464</u>	<u>\$ 12,259,923</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 161,461	\$ 62,442
Accrued expenses	983,514	653,804
Current portion of debt	88,000	88,000
Total current liabilities	<u>1,232,975</u>	<u>804,246</u>
Debt, less current portion	3,074,307	3,077,057
PPP loans	<u>-</u>	<u>1,207,500</u>
Total liabilities	<u>4,307,282</u>	<u>5,088,803</u>
Net assets without donor restrictions		
Board designated	344,291	380,553
Undesignated	7,061,453	6,075,616
Total net assets without donor restrictions	<u>7,405,744</u>	<u>6,456,169</u>
Net assets with donor restrictions	748,438	714,951
Total net assets	<u>8,154,182</u>	<u>7,171,120</u>
Total liabilities and net assets	<u>\$ 12,461,464</u>	<u>\$ 12,259,923</u>

See accompanying notes to consolidated financial statements.

**TASKS UNLIMITED, INC.**

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues and support:				
Employment revenue	\$ 5,619,879	\$ -	\$ 5,619,879	\$ 5,477,149
Government grants and contracts	2,906,401	-	2,906,401	2,914,415
Program service fees	1,507,234	-	1,507,234	1,227,647
Contributions	166,161	292,810	458,971	1,361,053
PPP loan forgiveness	1,207,500	-	1,207,500	-
Client service fees	747,747	-	747,747	736,798
Other income	20,754	-	20,754	194,242
Investment income, net	8,740	-	8,740	27,531
Net assets released from restrictions	259,323	(259,323)	-	-
Total revenues and support	<u>12,443,739</u>	<u>33,487</u>	<u>12,477,226</u>	<u>11,938,835</u>
Expenses:				
Program services:				
Vocational rehabilitation	5,838,444	-	5,838,444	6,123,385
Mental health	1,803,081	-	1,803,081	1,706,467
Training center	819,007	-	819,007	768,166
Lodge program	761,129	-	761,129	682,686
Outreach services	421,858	-	421,858	587,116
Total program services	<u>9,643,519</u>	<u>-</u>	<u>9,643,519</u>	<u>9,867,820</u>
Management and general	1,626,363	-	1,626,363	1,129,276
Fundraising	224,282	-	224,282	247,972
Total expenses	<u>11,494,164</u>	<u>-</u>	<u>11,494,164</u>	<u>11,245,068</u>
Change in net assets	<u>949,575</u>	<u>33,487</u>	<u>983,062</u>	<u>693,767</u>
Net assets, beginning of year	<u>6,456,169</u>	<u>714,951</u>	<u>7,171,120</u>	<u>6,477,353</u>
Net assets, end of year	<u>\$ 7,405,744</u>	<u>\$ 748,438</u>	<u>\$ 8,154,182</u>	<u>\$ 7,171,120</u>

See accompanying notes to consolidated financial statements.

TASKS UNLIMITED, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

	2021								2020	
	Program Services					Total program services	Management and general	Fund-raising		Total
	Vocational rehabilitation	Mental health	Training center	Lodge program	Outreach services					
Salaries	\$ 3,580,923	\$ 1,300,449	\$ 592,775	\$ 139,142	\$ 244,063	\$ 5,857,352	\$ 865,084	\$ 174,838	\$ 6,897,274	\$ 6,636,790
Payroll taxes	271,375	95,857	44,031	10,134	18,637	440,034	62,580	13,247	515,861	494,376
Benefits	937,447	156,531	71,525	17,853	15,329	1,198,685	70,577	19,488	1,288,750	1,342,961
<b>Total salaries and related</b>	<b>4,789,745</b>	<b>1,552,837</b>	<b>708,331</b>	<b>167,129</b>	<b>278,029</b>	<b>7,496,071</b>	<b>998,241</b>	<b>207,573</b>	<b>8,701,885</b>	<b>8,474,127</b>
Occupancy	-	-	-	3,843	3,462	7,305	6,132	1,462	14,899	81,228
Building maintenance, IT, and security	399,784	5,686	7,708	80,692	11,583	505,453	237,489	2,435	745,377	774,822
Utilities	88,483	353	-	85,741	-	174,577	163	-	174,740	137,335
Subscriptions and memberships	8,464	4,092	4,628	135	1,093	18,412	6,961	190	25,563	21,231
Professional fees and contracts	179,914	46,301	236	4,424	67,733	298,608	179,323	-	477,931	398,595
Transportation	30,957	70,586	3,268	4,202	7,206	116,219	256	165	116,640	98,855
Equipment rental expense	19,541	28,591	15,998	17,678	3,141	84,949	34,518	-	119,467	59,920
Insurance expense	13,987	3,201	1,507	42,326	529	61,550	25,321	203	87,074	79,997
Supplies	237,329	22,161	31,857	23,538	23,007	337,892	8,758	208	346,858	377,461
Printing and postage	551	3,177	1,485	-	255	5,468	11,887	3,477	20,832	8,712
Bank, payroll, and other fees	1,005	-	31	50	95	1,181	22,090	549	23,820	60,910
Bad debt expense	-	10,000	-	15,000	-	25,000	-	-	25,000	35,324
Meals and entertainment	628	1,725	1,205	-	3,854	7,412	1,415	-	8,827	4,063
Telephone	21,129	9,125	19,467	1,811	1,284	52,816	32,847	102	85,765	95,525
Internet	8,239	431	455	9,331	-	18,456	-	-	18,456	12,514
Depreciation	38,301	42,037	22,039	301,081	-	403,458	56,165	1,153	460,776	450,393
Miscellaneous expenses	387	2,778	792	4,148	20,587	28,692	4,797	6,765	40,254	74,056
	<u>\$ 5,838,444</u>	<u>\$ 1,803,081</u>	<u>\$ 819,007</u>	<u>\$ 761,129</u>	<u>\$ 421,858</u>	<u>\$ 9,643,519</u>	<u>\$ 1,626,363</u>	<u>\$ 224,282</u>	<u>\$ 11,494,164</u>	<u>\$ 11,245,068</u>
Allocation percentages	<u>51%</u>	<u>16%</u>	<u>7%</u>	<u>7%</u>	<u>4%</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, 2021  
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 983,062	\$ 693,767
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	460,776	450,393
Loss on investments	37,625	4,474
Loan forgiveness	(1,207,500)	(259,102)
Changes in operating assets and liabilities:		
Accounts receivable	(574,199)	(7,854)
Contributions and grants receivable	38,925	(30,000)
Prepaid expenses	(32,241)	4,065
Accounts payable	99,019	(16,065)
Accrued expenses	329,710	(58,751)
Net cash from operating activities	135,177	780,927
Cash flows from investing activities:		
Payments for property and equipment	(696,383)	(224,322)
Proceeds from sale of investments	-	1,549,000
Purchase of investments	(414,344)	(2,080,439)
Net cash from investing activities	(1,110,727)	(755,761)
Cash flows from financing activities:		
Proceeds from PPP loans	-	1,207,500
Repayment of debt	(2,750)	(3,000)
Net cash from financing activities	(2,750)	1,204,500
Net increase (decrease) in cash	(978,300)	1,229,666
Cash - beginning of year	3,681,720	2,452,054
Cash - end of year	\$ 2,703,420	\$ 3,681,720

See accompanying notes to consolidated financial statements.

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

### 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, 2021  
(With Comparative Totals for 2020)

### 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.

**Reclassifications** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**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.

**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, 2021  
(With Comparative Totals for 2020)

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

**Investments** - Investments are recorded at fair value. Investment income is recognized when earned. The change in unrealized gains and losses is included in changes in net assets.

**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 \$75,915 and \$50,915 as of December 31, 2021 and 2020.

**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.

**Contributed Services and Materials** - Contributed materials are recorded as contributions at their fair value when received. Contributed services are recorded when the service creates or enhances a nonfinancial asset or the service requires specialized skills, is provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. None was recognized in 2020 or 2021.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

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

**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 2022.

**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.

(Continued)

# TASKS UNLIMITED, INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

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

**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. Envision Communities, Inc. was incorporated in July 2021 and has applied for tax-exempt status. 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.

### 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:

	2021	2020
Cash	\$ 2,703,420	\$ 3,681,720
Accounts receivable, net	1,471,391	897,192
Investments	2,960,989	2,584,270
Contributions and grants receivable	138,784	177,709
	<u>7,274,584</u>	<u>7,340,891</u>
Less: unavailable for general expenditures within one year:		
Net assets with donor restrictions	(748,438)	(714,951)
Board designated net assets	(344,291)	(380,553)
Assets available for general expenditures within one year	<u>\$ 6,181,855</u>	<u>\$ 6,245,387</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.

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

#### 4. INVESTMENTS

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

Tasks Unlimited held the following investments as of December 31, 2020:

	Cost	Fair Value
Certificates of deposit	\$ 798,317	\$ 795,802
Municipal bonds	1,646,065	1,643,053
Mutual funds	3,252	4,152
Brokerage account cash	135,736	135,736
	\$ 2,583,370	\$ 2,578,743

Investment income included the following as of December 31:

	2021	2020
Realized and unrealized losses	\$(37,625)	\$ (4,474)
Interest and dividend income, net	46,365	32,005
	\$ 8,740	\$ 27,531

#### 5. FAIR VALUE MEASUREMENTS

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	\$ -	\$ 700,000	\$ -	\$ 700,000
Municipal bonds	-	2,070,022	-	2,070,022
Mutual funds	4,937	-	-	4,937
Brokerage account cash	-	-	-	193,864
	\$ 4,937	\$ 2,770,022	\$ -	\$ 2,968,823

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

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

Significant assets that were measured at fair value on a recurring basis were as follows as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 798,317	\$ -	\$ 798,317
Municipal bonds	-	1,646,065	-	1,646,065
Mutual funds	4,152	-	-	4,152
Brokerage account cash	-	-	-	135,736
	<u>\$ 4,152</u>	<u>\$ 2,444,382</u>	<u>\$ -</u>	<u>\$ 2,584,270</u>

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

	2021	2020	Estimated useful lives
Land	\$ 894,100	\$ 894,100	-
Buildings and improvements	8,127,522	7,662,566	5-27.5 years
Equipment and furnishings	1,957,745	1,940,211	3-5 years
Vehicles	397,473	397,473	5-7 years
Building improvements in progress	2,125	47,566	-
	<u>11,378,965</u>	<u>10,941,916</u>	
Less accumulated depreciation	<u>(6,493,984)</u>	<u>(6,186,161)</u>	
	<u>\$ 4,884,981</u>	<u>\$ 4,755,755</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. The property sold in April 2022 for approximately \$451,000

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

#### 7. DEBT

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

	2021	2020
Hennepin County	\$2,247,930	\$2,247,930
MHFA	209,800	209,800
Greater Minnesota Housing Fund	400,000	400,000
City of St. Paul HRA	165,327	165,327
New Hope EDA	18,000	20,750
NW Comm. Revitalization Corp./Hennepin County	88,000	88,000
City of Edina	33,250	33,250
	3,162,307	3,165,057
Less current portion	(3,000)	(3,000)
Less current portion (forgivable)	(85,000)	(85,000)
	\$3,074,307	\$3,077,057

**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 between 2020 and 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, 2021  
(With Comparative Totals for 2020)

### 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:

2022	\$ 88,000
2023	163,000
2024	231,430
2025	402,300
2026	93,750
Thereafter	<u>2,183,827</u>
	<u>\$ 3,162,307</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 loan 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 expires on April 1, 2022. Interest is 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. At December 31, 2021 and 2020, 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, 2021  
(With Comparative Totals for 2020)

### 10. NET ASSETS

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

	<u>2021</u>	<u>2020</u>
<b>Purpose Restriction:</b>		
Envision (tiny homes) project	\$ 440,877	\$ 393,237
Capital repairs and improvements	133,904	130,219
Skills training	106,787	97,525
Telehealth project	16,408	50,000
Other	50,462	43,970
	<u>\$ 748,438</u>	<u>\$ 714,951</u>

**Board Designated** - The Board established a designated reserve with a balance of \$344,291 and \$380,553 at December 31, 2021 and 2020, 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 are expected to be utilized over a 3- to 4-year period until billing and service increases are sufficient to offset the increased staff expenses.

### 11. RETIREMENT PLANS

Tasks Unlimited maintains two retirement plans for employees who meet eligibility requirements. The 403(b) Plan of Tasks Unlimited allows employee elective deferrals and employer matching contributions. In 2021 and 2020, 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 \$139,347 and \$132,629 for the 403(b) plan, and \$651,481 and \$751,057 for the 401(a) plan for the year ended December 31, 2021 and 2020, respectively.

(Continued)

## TASKS UNLIMITED, INC.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021  
(With Comparative Totals for 2020)

#### 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, 2021 and 2020, deposits exceeded the federally insured limit by \$1,011,976 and \$2,560,976.

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. **SUBSEQUENT EVENTS**

In March 2022, Tasks Unlimited signed a professional fundraising contract for Envision Communities program requiring payments of \$3,750 a month for ten months.

Tasks Unlimited has evaluated other subsequent events through June 22, 2022, the date the financial statements were available to be issued.

## **CONSOLIDATING FINANCIAL STATEMENTS**

**TASKS UNLIMITED, INC.**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2021

	TUI	TUL	TTC	TUBS	TUMHS	Eliminations	Total
<b>ASSETS</b>							
Current assets:							
Cash	\$ 979,816	\$ -	\$ 163,785	\$ 1,409,246	\$ 150,573	\$ -	\$ 2,703,420
Accounts receivable, net	37,175	30,595	99,406	1,017,758	286,457	-	1,471,391
Investments	2,960,989	-	-	-	-	-	2,960,989
Contributions and grants receivable	70,613	-	-	68,171	-	-	138,784
Prepaid expenses	196,786	-	-	-	(1,268)	-	195,518
Total current assets	<u>4,245,379</u>	<u>30,595</u>	<u>263,191</u>	<u>2,495,175</u>	<u>435,762</u>	<u>-</u>	<u>7,470,102</u>
Due from intercompany	-	-	-	7,470,668	-	(7,470,668)	-
Property and equipment, net	53,600	4,649,127	1,237	70,933	110,084	-	4,884,981
Property held for sale	-	106,381	-	-	-	-	106,381
Total assets	<u>\$ 4,298,979</u>	<u>\$ 4,786,103</u>	<u>\$ 264,428</u>	<u>\$ 10,036,776</u>	<u>\$ 545,846</u>	<u>\$ (7,470,668)</u>	<u>\$ 12,461,464</u>
<b>LIABILITIES AND NET ASSETS</b>							
Current liabilities:							
Accounts payable	\$ (31,495)	\$ 11,352	\$ 29,967	\$ 81,508	\$ 70,129	\$ -	\$ 161,461
Accrued payroll	352,682	-	-	630,832	-	-	983,514
Current portion of debt	-	88,000	-	-	-	-	88,000
Total current liabilities	<u>321,187</u>	<u>99,352</u>	<u>29,967</u>	<u>712,340</u>	<u>70,129</u>	<u>-</u>	<u>1,232,975</u>
Due to intercompany	503,099	4,078,976	1,491,052	-	1,397,541	(7,470,668)	-
Debt, less current portion	-	3,074,307	-	-	-	-	3,074,307
Total liabilities	<u>824,286</u>	<u>7,252,635</u>	<u>1,521,019</u>	<u>712,340</u>	<u>1,467,670</u>	<u>(7,470,668)</u>	<u>4,307,282</u>
Net assets:							
Without donor restrictions:							
Board designated	-	-	-	344,291	-	-	344,291
Undesignated	2,726,255	(2,466,532)	(1,256,591)	8,980,145	(921,824)	-	7,061,453
Total net assets with out donor restrictions	<u>2,726,255</u>	<u>(2,466,532)</u>	<u>(1,256,591)</u>	<u>9,324,436</u>	<u>(921,824)</u>	<u>-</u>	<u>7,405,744</u>
With donor restrictions	748,438	-	-	-	-	-	748,438
Total net assets	<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>
Total liabilities and net assets	<u>\$ 4,298,979</u>	<u>\$ 4,786,103</u>	<u>\$ 264,428</u>	<u>\$ 10,036,776</u>	<u>\$ 545,846</u>	<u>\$ (7,470,668)</u>	<u>\$ 12,461,464</u>

See accompanying notes to consolidated financial statements.

TASKS UNLIMITED, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	TUI	TUL	TTC	TUBS	TUMHS	Eliminations	Total
Revenues and support:							
Employment revenue	\$ -	\$ -	\$ -	\$ 5,619,879	\$ -	\$ -	\$ 5,619,879
Government grants and contracts	270,960	-	824,037	-	1,811,404	-	2,906,401
Program service fees	-	-	-	1,507,234	-	-	1,507,234
Contributions	458,971	-	-	-	-	-	458,971
PPP loan forgiveness	636,500	-	-	571,000	-	-	1,207,500
Client service fees	-	399,443	128,419	-	219,885	-	747,747
Other income	10,704	14	-	4,919	5,117	-	20,754
Investment income, net	8,707	-	-	33	-	-	8,740
Intercompany rent	-	142,573	-	-	-	(142,573)	-
Total revenues and support	<u>1,385,842</u>	<u>542,030</u>	<u>952,456</u>	<u>7,703,065</u>	<u>2,036,406</u>	<u>(142,573)</u>	<u>12,477,226</u>
Expenses:							
Program services:							
Vocational rehabilitation	-	-	-	5,861,094	-	(22,650)	5,838,444
Mental health	-	-	-	-	1,850,957	(47,876)	1,803,081
Training center	-	-	868,558	-	-	(49,551)	819,007
Lodge program	-	761,129	-	-	-	-	761,129
Outreach services	429,603	-	-	-	-	(7,745)	421,858
Total program services	<u>429,603</u>	<u>761,129</u>	<u>868,558</u>	<u>5,861,094</u>	<u>1,850,957</u>	<u>(127,822)</u>	<u>9,643,519</u>
Management and general	1,640,080	-	-	-	-	(13,717)	1,626,363
Fundraising	225,316	-	-	-	-	(1,034)	224,282
Total expenses	<u>2,294,999</u>	<u>761,129</u>	<u>868,558</u>	<u>5,861,094</u>	<u>1,850,957</u>	<u>(142,573)</u>	<u>11,494,164</u>
Change in net assets before inter-entity allocations	(909,157)	(219,099)	83,898	1,841,971	185,449	-	983,062
Inter-entity administrative allocations	<u>1,306,642</u>	<u>(73,189)</u>	<u>(117,890)</u>	<u>(864,816)</u>	<u>(250,747)</u>	<u>-</u>	<u>-</u>
Change in net assets	397,485	(292,288)	(33,992)	977,155	(65,298)	-	983,062
Net assets, beginning of year	<u>3,077,208</u>	<u>(2,174,244)</u>	<u>(1,222,599)</u>	<u>8,347,281</u>	<u>(856,526)</u>	<u>-</u>	<u>7,171,120</u>
Net assets, end 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>

See accompanying notes to consolidated financial statements.