

Consolidated Financial Statements
December 31, 2025 and 2024

Tasks Unlimited, Inc. and Subsidiaries

Tasks Unlimited, Inc. and Subsidiaries

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December 31, 2025 and 2024

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Tasks Unlimited, Inc. and Subsidiaries (Tasks Unlimited), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tasks Unlimited as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 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 these 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 Tasks Unlimited's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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 GAAS 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 GAAS, 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'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'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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota
June 17, 2026

Tasks Unlimited, Inc. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 800,029	\$ 1,187,049
Accounts receivable, net of allowance for credit losses of \$309,699 and \$30,000 as of 2025 and 2024, respectively	1,744,199	1,717,189
Investments	2,427,651	3,715,452
Prepaid expenses	<u>116,652</u>	<u>114,161</u>
	<u>5,088,531</u>	<u>6,733,851</u>
Property and Equipment, Net	<u>4,463,741</u>	<u>3,786,257</u>
Total assets	<u><u>\$ 9,552,272</u></u>	<u><u>\$ 10,520,108</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 113,202	\$ 82,559
Accrued expenses	768,815	739,173
Current portion of debt	<u>265,272</u>	<u>737,730</u>
	<u>1,147,289</u>	<u>1,559,462</u>
Debt, Less Current Portion	<u>1,871,680</u>	<u>1,698,826</u>
Total liabilities	<u>3,018,969</u>	<u>3,258,288</u>
Net Assets		
Without donor restrictions	<u>6,533,303</u>	<u>7,261,820</u>
Total liabilities and net assets	<u><u>\$ 9,552,272</u></u>	<u><u>\$ 10,520,108</u></u>

Tasks Unlimited, Inc. and Subsidiaries

Consolidated Statements of Activities

Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Employment revenue	\$ 6,421,694	\$ -	\$ 6,421,694
Government grants and contracts	1,673,910	-	1,673,910
Program service fees	3,664,360	-	3,664,360
Client service fees	522,706	-	522,706
Contributions	422,009	-	422,009
In-kind contributions	47,162	-	47,162
Other income	23,630	-	23,630
Net investment return	112,199	-	112,199
Total revenue and support	<u>12,887,670</u>	<u>-</u>	<u>12,887,670</u>
Expenses			
Program services			
Vocational rehabilitation	5,829,915	-	5,829,915
Mental health	3,124,788	-	3,124,788
Training center	1,208,372	-	1,208,372
Lodge program	759,370	-	759,370
Outreach services	958,053	-	958,053
Total program services	<u>11,880,498</u>	<u>-</u>	<u>11,880,498</u>
Support services			
Management and general	1,405,081	-	1,405,081
Fundraising	330,608	-	330,608
Total support services	<u>1,735,689</u>	<u>-</u>	<u>1,735,689</u>
Total expenses	<u>13,616,187</u>	<u>-</u>	<u>13,616,187</u>
Change in Net Assets	<u>(728,517)</u>	<u>-</u>	<u>(728,517)</u>
Net Assets, Beginning of Year	<u>7,261,820</u>	<u>-</u>	<u>7,261,820</u>
Net Assets, End of Year	<u>\$ 6,533,303</u>	<u>\$ -</u>	<u>\$ 6,533,303</u>

Tasks Unlimited, Inc. and Subsidiaries

Consolidated Statements of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Employment revenue	\$ 6,201,093	\$ -	\$ 6,201,093
Government grants and contracts	1,396,486	-	1,396,486
Program service fees	3,782,925	-	3,782,925
Client service fees	532,048	-	532,048
Contributions	353,303	-	353,303
In-kind contributions	1,511	-	1,511
Other income	13,064	-	13,064
Net investment return	166,944	-	166,944
Net assets released from restrictions	9,125	(9,125)	-
Total revenue and support	<u>12,456,499</u>	<u>(9,125)</u>	<u>12,447,374</u>
Expenses			
Program services			
Vocational rehabilitation	5,610,286	-	5,610,286
Mental health	2,437,914	-	2,437,914
Training center	1,035,816	-	1,035,816
Lodge program	750,950	-	750,950
Outreach services	606,540	-	606,540
Total program services	<u>10,441,506</u>	<u>-</u>	<u>10,441,506</u>
Support services			
Management and general	1,363,295	-	1,363,295
Fundraising	281,470	-	281,470
Total support services	<u>1,644,765</u>	<u>-</u>	<u>1,644,765</u>
Total expenses	<u>12,086,271</u>	<u>-</u>	<u>12,086,271</u>
Change in Net Assets	<u>370,228</u>	<u>(9,125)</u>	<u>361,103</u>
Net Assets, Beginning of Year	<u>6,891,592</u>	<u>9,125</u>	<u>6,900,717</u>
Net Assets, End of Year	<u>\$ 7,261,820</u>	<u>\$ -</u>	<u>\$ 7,261,820</u>

Tasks Unlimited, Inc. and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2025

	Program Services								
	Vocational Rehabilitation	Mental Health	Training Center	Lodge Program	Outreach Services	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,598,620	\$ 1,980,797	\$ 906,794	\$ 137,208	\$ 609,928	\$ 7,233,347	\$ 814,401	\$ 201,542	\$ 8,249,290
Payroll taxes	321,365	169,289	80,069	13,231	51,098	635,052	67,071	16,650	718,773
Benefits	792,596	253,687	112,154	18,564	64,813	1,241,814	94,704	24,143	1,360,661
Total salaries, payroll taxes, and benefits	4,712,581	2,403,773	1,099,017	169,003	725,839	9,110,213	976,176	242,335	10,328,724
Credit losses	-	442,724	-	17,402	-	460,126	-	-	460,126
Bank, payroll, and other fees	3,718	132	846	158	187	5,041	18,734	6,280	30,055
Building maintenance, IT, and security	392,836	7,677	5,796	97,626	4,012	507,947	145,261	8,877	662,085
Client support	2,412	12,049	43	-	103,582	118,086	-	-	118,086
Depreciation	24,869	19,533	6,861	260,897	-	312,160	25,918	-	338,078
Equipment expense	55,020	54,708	24,980	13,004	29,731	177,443	28,464	4,691	210,598
Insurance expense	3,476	22,589	3,552	50,040	1,582	81,239	44,963	-	126,202
Meals and entertainment	321	282	2,569	17	5,583	8,772	-	-	8,772
Miscellaneous expenses	417	41	-	2,359	128	2,945	927	-	3,872
Occupancy	-	-	-	6,433	35,555	41,988	-	-	41,988
Printing and postage	285	335	153	563	3,349	4,685	4,317	8,058	17,060
Professional fees and contracts	101,455	61,936	12,514	29,828	14,693	220,426	107,497	55,500	383,423
Special Events Internal	5,078	192	162	-	-	5,432	-	1,254	6,686
Subscriptions and memberships	17,312	8,476	5,459	1,278	13,031	45,556	17,415	1,646	64,617
Supplies	321,238	11,156	33,230	31,618	11,390	408,632	11,537	1,076	421,245
Telephone/internet	29,684	13,831	9,919	9,120	3,951	66,505	23,735	727	90,967
Transportation	39,945	65,354	3,271	4,481	5,440	118,491	137	164	118,792
Utilities	119,268	-	-	65,543	-	184,811	-	-	184,811
Total Expenses	<u>\$ 5,829,915</u>	<u>\$ 3,124,788</u>	<u>\$ 1,208,372</u>	<u>\$ 759,370</u>	<u>\$ 958,053</u>	<u>\$ 11,880,498</u>	<u>\$ 1,405,081</u>	<u>\$ 330,608</u>	<u>\$ 13,616,187</u>

Tasks Unlimited, Inc. and Subsidiaries
Consolidated Statements of Functional Expenses
Year Ended December 31, 2024

	Program Services								
	Vocational Rehabilitation	Mental Health	Training Center	Lodge Program	Outreach Services	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,462,016	\$ 1,802,745	\$ 786,149	\$ 173,696	\$ 440,844	\$ 6,665,450	\$ 761,202	\$ 169,077	\$ 7,595,729
Payroll taxes	305,765	149,593	64,425	13,268	37,152	570,203	60,785	13,078	644,066
Benefits	739,413	202,261	74,951	22,034	25,342	1,064,001	88,134	14,363	1,166,498
Total salaries, payroll taxes, and benefits	4,507,194	2,154,599	925,525	208,998	503,338	8,299,654	910,121	196,518	9,406,293
Credit losses	22,514	39,098	971	5,000	-	67,583	-	-	67,583
Bank, payroll, and other fees	5,089	532	455	44	-	6,120	18,590	661	25,371
Building maintenance, IT, and security	384,768	3,834	4,065	106,394	2,591	501,652	161,064	10,557	673,273
Client support	-	15,104	900	-	43,971	59,975	-	-	59,975
Depreciation	26,895	13,493	9,989	253,024	-	303,401	25,122	-	328,523
Equipment expense	34,206	35,940	21,009	11,934	3,078	106,167	32,295	13,792	152,254
Insurance expense	19,125	7,222	2,574	43,938	844	73,703	28,204	-	101,907
Meals and entertainment	315	57	46	-	4,368	4,786	688	1,366	6,840
Miscellaneous expenses	578	775	-	-	-	1,353	-	-	1,353
Occupancy	-	-	-	15,544	16,770	32,314	-	-	32,314
Printing and postage	80	436	65	-	551	1,132	3,212	3,210	7,554
Professional fees and contracts	94,586	40,573	3,750	14,352	19,745	173,006	112,060	54,000	339,066
Special Events Internal	66,478	-	-	-	-	66,478	-	-	66,478
Subscriptions and memberships	12,338	13,317	8,011	77	-	33,743	23,139	-	56,882
Supplies	266,741	13,299	35,201	16,807	3,033	335,081	16,373	864	352,318
Telephone/internet	25,675	15,998	19,836	9,525	3,061	74,095	32,427	432	106,954
Transportation	27,971	83,637	3,419	5,457	5,190	125,674	-	70	125,744
Utilities	115,733	-	-	59,856	-	175,589	-	-	175,589
Total Expenses	<u>\$ 5,610,286</u>	<u>\$ 2,437,914</u>	<u>\$ 1,035,816</u>	<u>\$ 750,950</u>	<u>\$ 606,540</u>	<u>\$ 10,441,506</u>	<u>\$ 1,363,295</u>	<u>\$ 281,470</u>	<u>\$ 12,086,271</u>

Tasks Unlimited, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Activities		
Change in net assets	\$ (728,517)	\$ 361,103
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	338,078	328,523
Realized and unrealized gains on investments	(112,199)	(166,944)
Credit losses	279,699	(10,375)
Changes in operating assets and liabilities		
Accounts receivable, net	(306,709)	(302,181)
Prepaid expenses	(2,491)	(44,018)
Accounts payable	30,643	(5,052)
Accrued expenses	29,642	100,327
Net Cash from (used for) Operating Activities	<u>(471,854)</u>	<u>261,383</u>
Investing Activities		
Purchase of investments	-	(700,000)
Proceeds from the sale of investments	1,400,000	205,776
Purchases of property and equipment	(1,054,274)	(313,708)
Proceeds from the sale of property and equipment	38,712	-
Net Cash (used for) from Investing Activities	<u>384,438</u>	<u>(807,932)</u>
Financing Activities		
Payments on long term debt	(299,604)	(568)
Net Change in Cash and Cash Equivalents	(387,020)	(547,117)
Cash and Cash Equivalents, Beginning of Year	<u>1,187,049</u>	<u>1,734,166</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 800,029</u></u>	<u><u>\$ 1,187,049</u></u>

Note 1 - Organization

The mission of Tasks Unlimited, Inc. and Subsidiaries (Tasks Unlimited or the Organization) 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.

Tasks Unlimited Training Center (TUTC) 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 clients under contracts with Hennepin, Ramsey, and Dakota counties.

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

Note 2 - Summary of Significant Accounting Policies**Principles of Consolidation**

The consolidated financial statements include the accounts of Tasks Unlimited and TUTC, TUL, TUBS, and TUMHS because Tasks Unlimited has both control and an economic interest in TUTC, TUL, TUBS, and TUMHS. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as Tasks Unlimited.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, are considered to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for outreach, evaluation, screening, training, rehabilitation, vocational, psychological, and mental health services. Accounts receivable are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Allowance for credit losses on accounts receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management believes that the information it has compiled is a reasonable base on which to determine the expected credit losses for accounts receivable held at December 31, 2025 and 2024, because the composition of the accounts receivable at that date is consistent with that used in developing expectations. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accounts receivables are written off when deemed uncollectable. Accordingly, the allowance for credit losses at December 31, 2025 and 2024 totaled \$309,699 and \$30,000, respectively.

Changes in the allowance for credit losses for receivables are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Allowance for Credit Losses, Beginning of Year	\$ 30,000	\$ 40,375
Provision for credit losses	446,692	68,639
Charge-offs	(166,993)	(79,014)
Allowance for Credit Losses, End of Year	<u>\$ 309,699</u>	<u>\$ 30,000</u>

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying consolidated statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position and the balance was \$0 as of December 31, 2025 and 2024 and January 1, 2024. The Organization's opening balance of accounts receivables at January 1, 2024, was \$1,238,271.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to 27.5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Tasks Unlimited reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and Revenue Recognition

Certain 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.

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.

Tenants of TUL are billed monthly room rental fees at a flat rate based on unit type.

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 at the time the service is provided.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Tasks Unlimited's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. At December 31, 2025 and 2024, there were no conditional contributions or grants.

In-kind Contributions

Contributed nonfinancial assets include donated materials which are recorded at the respective fair values of the goods or services received at the date of donation. Fair value is estimated by management by reference to the appropriate market and type of goods and services donated. Tasks Unlimited does not sell donated gifts-in-kind. 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 consolidated financial statements since the specified criteria are not met. No significant contributions of such goods or services were received during the years ended December 31, 2025 and 2024.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. 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

The TUI, TUL, TUTC, TUBS, and TUMHS are organized as Minnesota nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Tasks Unlimited determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires Tasks Unlimited to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Significant Concentrations of Credit Risk

Deposit concentration risk is managed by placing cash, brokerage accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025 and 2024, Tasks Unlimited had approximately \$463,000 and \$937,000, respectively, in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Subsequent Events

Tasks Unlimited has evaluated subsequent events through June 17, 2026, the date which the consolidated financial statements were available to be issued.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 800,029	\$ 1,187,049
Accounts receivable, net	1,744,199	1,717,189
Investments	2,427,651	3,715,452
	<u>\$ 4,971,879</u>	<u>\$ 6,619,690</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.

Note 4 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

Tasks Unlimited, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Tasks Unlimited's assessment of the quality, risk, or liquidity profile of the asset or liability.

Tasks Unlimited also invests in certificates of deposits traded in the financial markets. Those certificates of deposits and Municipal bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost at December 31, 2025:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments				
Brokerage account cash, at cost	\$ 50,849	\$ -	\$ -	\$ -
Certificates of deposit	287,809	-	287,809	-
Municipal bonds	2,088,993	-	2,088,993	-
	<u>\$ 2,427,651</u>	<u>\$ -</u>	<u>\$ 2,376,802</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost at December 31, 2024:

		Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments				
Brokerage account cash, at cost	\$ 19,456	\$ -	\$ -	\$ -
Certificates of deposit	2,528,407	-	2,528,407	-
Municipal bonds	1,167,589	-	1,167,589	-
	<u>\$ 3,715,452</u>	<u>\$ -</u>	<u>\$ 3,695,996</u>	<u>\$ -</u>

Note 5 - Property and Equipment

A summary of property and equipment at December 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 894,100	\$ 894,100
Buildings and improvements	7,848,475	7,013,812
Furniture and equipment	2,540,360	2,359,461
Vehicles	397,473	397,473
Subtotal	<u>11,680,408</u>	<u>10,664,846</u>
Less accumulated depreciation	<u>(7,216,667)</u>	<u>(6,878,589)</u>
	<u><u>\$ 4,463,741</u></u>	<u><u>\$ 3,786,257</u></u>

Depreciation expense totaled \$338,078 and \$328,523 for the years ended December 31, 2025 and 2024, respectively.

Tasks Unlimited, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 6 - Debt

Tasks Unlimited has various debt agreements for interest-bearing and non-interest-bearing loans. The following schedule of debt reflects the balance of outstanding loans at December 31, 2025 and 2024:

	2025	2024
0% mortgages payable to Hennepin County Housing Community Works and Transit, principal payments are deferred until between 2023 and 2039. Mortgages are financed through the U.S. Department of Housing and Urban Development (HUD) Home Investments Partnerships program, secured by property.	\$ 1,438,430	\$ 1,662,930
0% mortgages payable to the Minnesota Housing Finance Agency, principal payments are deferred until 2025. Financed through a HUD program, secured by property.	-	74,800
0% mortgages payable to the Minnesota Housing Finance Agency (Greater Minnesota Housing Fund), principal payments are deferred until 2037. Financed through a HUD program, secured by property.	400,000	400,000
1% simple non-compounding interest mortgage payable to the City of St. Paul Housing and Redevelopment Authority (HRA). Principal and accrued interest are payable in August 2026. Financed through a HUD program, secured by property.	174,521	171,826
0% mortgage payable to New Hope Economic Development Authority due in monthly installments of \$250 through September 2026. Upon default, interest rate would be prime rate plus 2%, secured by property.	2,751	5,750
0% mortgage payable to Northwest Community Revitalization Corp. and Hennepin County, principal payments are deferred until September 2026. Financed through a HUD program, secured by property.	88,000	88,000
0% mortgage payable to the City of Edina with principal due on resale, secured by property.	33,250	33,250
	<u>\$ 2,136,952</u>	<u>\$ 2,436,556</u>

Tasks Unlimited, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

The future annual debt payments or debt forgiveness consist of the following:

<u>Years Ending December 31,</u>	<u>Amount</u>
2026	\$ 265,272
2027	200,000
2028	300,000
2029	-
2030	438,430
Thereafter	933,250
	<u>\$ 2,136,952</u>

Note 7 - Retirement Plan

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 2025 and 2024, 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 \$453,716 and \$384,482 for the 403(b) plan and \$660,780 and \$633,143 for the 401(a) plan for the year ended December 31, 2025 and 2024.

Note 8 - Concentrations

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

At December 31, 2025, three contributors accounted for approximately 45% of total contribution revenue. At December 31, 2024, two contributors accounted for approximately 34% of total contribution revenue.