

**REACH FOR RESOURCES, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**REACH FOR RESOURCES, INC.**  
**TABLE OF CONTENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Reach for Resources, Inc.  
Minnetonka, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Reach for Resources, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reach for Resources, Inc. as of December 31, 2022 and 2021, and the results of its operations 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Reach for Resources, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Reach for Resources, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Reach for Resources, 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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
August 31, 2023

**REACH FOR RESOURCES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 570,804	\$ 799,742
Investments	568,101	543,472
Accounts Receivable, Net	357,540	274,027
Prepaid Expenses	28,541	17,431
Total Current Assets	1,524,986	1,634,672
<b>NONCURRENT ASSETS</b>		
Fixed Assets:		
Equipment	30,244	41,059
Software	11,290	11,290
Total Fixed Assets	41,534	52,349
Less: Accumulated Depreciation	(40,972)	(43,514)
Fixed Assets, Net	562	8,835
Right of Use Asset	435,255	-
Less: Amortization	(104,968)	-
Right of Use Asset, Net	330,287	-
Total Noncurrent Assets	330,849	8,835
Total Assets	\$ 1,855,835	\$ 1,643,507
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 14,031	\$ 5,450
Current Lease Liability	100,069	2,163
Accrued Payroll and Related Expenses	308,680	253,058
Deferred Revenue	12,982	14,918
Total Current Liabilities	435,762	275,589
<b>LONG-TERM LIABILITIES</b>		
Long-Term Lease Liability	234,721	5,407
Total Liabilities	670,483	280,996
<b>NET ASSETS</b>		
Without Donor Restrictions	1,185,352	1,362,511
Total Net Assets	1,185,352	1,362,511
Total Liabilities and Net Assets	\$ 1,855,835	\$ 1,643,507

See accompanying Notes to Financial Statements.

**REACH FOR RESOURCES, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>		
Program Fees	\$ 2,760,706	\$ 2,485,395
Special Event Income (Net of Expenses)	64,968	65,807
Contributions and Grants	92,839	103,052
In-Kind Contributions	116,955	178,404
PPP Loan Forgiveness	-	426,200
Miscellaneous Income	353	1,357
Investment Income (Loss)	<u>(70,500)</u>	<u>57,237</u>
Total Revenues, Gains, and Other Support	2,965,321	3,317,452
 <b>EXPENSES</b>		
Program Services	2,436,241	2,334,366
Administrative and General	524,922	346,536
Fundraising	<u>181,317</u>	<u>166,103</u>
Total Expenses	<u>3,142,480</u>	<u>2,847,005</u>
 <b>CHANGES IN NET ASSETS</b>	(177,159)	470,447
 Net Assets - Beginning of Year	<u>1,362,511</u>	<u>892,064</u>
 <b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,185,352</u></u>	<u><u>\$ 1,362,511</u></u>

See accompanying Notes to Financial Statements.

**REACH FOR RESOURCES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022				2021			
	Program Services	Administrative and General	Fundraising	Total	Program Services	Administrative and General	Fundraising	Total
Salaries	\$ 1,827,085	\$ 300,734	\$ 94,784	\$ 2,222,603	\$ 1,664,120	\$ 181,219	\$ 84,375	\$ 1,929,714
Benefits	134,765	26,157	7,695	168,617	165,026	17,821	8,298	191,145
Payroll Taxes	146,407	24,395	7,648	178,450	127,691	13,905	6,474	148,070
Advertising	2,815	-	-	2,815	1,230	-	221	1,451
Conferences	3,865	2,087	144	6,096	9,204	4,544	16	13,764
Insurance:								
Liability	9,795	4,542	856	15,193	13,499	2,115	985	16,599
Workers' Compensation	26,668	4,444	1,393	32,505	23,596	2,570	1,196	27,362
Licenses and Fees	25,691	74,344	5,138	105,173	14,699	43,620	365	58,684
Mileage	38,106	111	57	38,274	30,459	225	232	30,916
Miscellaneous	22,332	3,072	630	26,034	25,501	1,560	742	27,803
Office and Computer	28,372	3,297	486	32,155	20,013	1,754	219	21,986
Postage	6,891	636	199	7,726	3,460	757	233	4,450
Printing	7,642	368	2,000	10,010	5,414	189	72	5,675
Professional Fees	8,580	22,123	1,258	31,961	32,329	15,281	1,258	48,868
Rent	59,585	52,450	-	112,035	60,392	49,949	560	110,901
Supplies	14,734	3,295	1,059	19,088	15,958	7,460	4,148	27,566
Transportation	13,923	-	-	13,923	-	-	-	-
Special Events Expenses	-	-	84,266	84,266	-	-	72,528	72,528
In-Kind Expenses	58,985	-	57,970	116,955	121,695	-	56,709	178,404
Total Expenses Before Depreciation	2,436,241	522,055	265,583	3,223,879	2,334,286	342,969	238,631	2,915,886
Depreciation	-	2,867	-	2,867	80	3,567	-	3,647
Subtotal	2,436,241	524,922	265,583	3,226,746	2,334,366	346,536	238,631	2,919,533
Less: Special Event Expenses	-	-	(84,266)	(84,266)	-	-	(72,528)	(72,528)
Total Expenses	<u>\$ 2,436,241</u>	<u>\$ 524,922</u>	<u>\$ 181,317</u>	<u>\$ 3,142,480</u>	<u>\$ 2,334,366</u>	<u>\$ 346,536</u>	<u>\$ 166,103</u>	<u>\$ 2,847,005</u>

See accompanying Notes to Financial Statements.

**REACH FOR RESOURCES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (177,159)	\$ 470,447
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Forgiveness of PPP Loan	-	(426,200)
Amortization of ROU Asset	100,129	-
Depreciation	2,867	3,647
Operating Cash Flows from Finance Leases	(86)	-
Operating Cash Flows from Operating Leases	(101,305)	-
Loss on Disposal of Fixed Assets	5,406	-
Realized and Unrealized Gains on Investments	86,263	(39,164)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(83,513)	(82,241)
Prepaid Expenses And Other Assets	(11,110)	35,735
Accounts Payable	8,581	(569)
Accrued Expenses and Other Liabilities	55,622	39,137
Deferred Revenue	(1,936)	10,996
Net Cash Provided (Used) by Operating Activities	(116,241)	11,788
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(117,717)	(21,340)
Proceeds from Sale of Investments	6,825	6,876
Net Cash Used by Investing Activities	(110,892)	(14,464)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligation	-	(2,344)
Payments on Finance Leases	(1,805)	-
Net Cash Used by Financing Activities	(1,805)	(2,344)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(228,938)	(5,020)
Cash and Cash Equivalents - Beginning of Year	799,742	804,762
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 570,804	\$ 799,742
<b>OTHER INFORMATION</b>		
Assets Acquired Through Capital Lease	\$ -	\$ 9,914

See accompanying Notes to Financial Statements.



**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Reach for Resources, Inc. (the Organization) is a Minnesota nonprofit corporation providing Adaptive Recreation, Counseling, Employment Supports, Inclusion, Independent Living Supports, Mental Health Services, and Waiver Case Management for individuals with developmental disabilities and mental illness within seven metro county area and across Minnesota.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Basis of Presentation**

Net assets and revenues, support, and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following categories:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, which will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. For the years ended December 31, 2022 and 2021, the Organization did not have net assets with donor restrictions.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash and savings funds with original maturities of less than three months. At times throughout the year, the Organization's cash deposited in financial institutions may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits.

**Investments**

Investments in marketable securities with readily determined fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets on the statements of activities.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The allowance for doubtful accounts balance for years ended December 31, 2022 and 2021 are \$3,107 and \$3,031, respectively. The Organization writes off all accounts that are determined to be uncollectible and considers the allowance for doubtful accounts to be immaterial. Management believes that accounts receivable is stated at estimated net realizable value.

**Fixed Assets**

Fixed assets are recorded at cost or fair market value at the time of acquisition, and dispositions are accounted for when they occur. Depreciation is provided on the straight-line method over the estimated useful life of the asset. It is the policy of the Organization to expense any capital asset with a cost of \$2,000 or less.

**Leases**

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a right-of-use (ROU) asset and finance lease liability.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Contributions**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor or designated by the board of directors. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as with donor restrictions support that increases the net asset class. When restricted funds are received and spent within the same year, the Organization reports that support as without donor restrictions.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. 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 are not recognized until the conditions on which they depend have been substantially met.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Fair Value Measurements**

Accounting standards require disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position, for which an estimated value is practicable. Certain financial instruments and all nonfinancial instruments are excluded from the standard's disclosure requirements. For all financial instruments other than investments, the carrying value is a reasonable estimate of fair value because of the short-term nature of the financial instruments. Investments are carried at fair value or estimated fair value.

The Organization follows accounting standards that define fair value, establish a framework for measuring fair value in accordance with existing GAAP, and expand disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes inputs according to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level inputs are defined as follows:

*Level 1* – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

*Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

*Level 3* – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements, in conformity with GAAP, 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.

**Advertising**

The Organization expenses advertising costs as they are incurred. Advertising expense was \$2,815 and \$1,451 for the years ended December 31, 2022 and 2021, respectively.

**Income Taxes**

The Organization is exempt from federal and state income taxes under Internal Revenue Code § 501(c)(3). The Organization is subject to tax on income from any unrelated business.

The Organization has adopted the income tax standard for uncertain tax positions. No liability was recognized by the Organization as a result of the implementation of this standard. The Organization files as a tax-exempt organization. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any open tax periods.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

**Subsequent Events**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through August 31, 2023, the date the financial statements were available to be issued.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 INVESTMENTS**

The Organization has mutual fund investments held for them by Morgan Stanley, a brokerage firm. The estimated fair market value of mutual funds totaled \$467,536 and \$543,472 at December 31, 2022 and 2021, respectively.

The Organization has a 25-month certificate of deposit at Luminare bank with a 3.5% interest rate. The certificate of deposit had a balance of \$100,565 and \$-0 at December 31, 2022 and 2021, respectively.

Net investment returns for the years ended December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Interest and Dividend Income	\$ 15,763	\$ 18,073
Realized Gains (Losses)	(523)	48
Unrealized Gains (Losses)	<u>(85,740)</u>	<u>39,116</u>
Total	<u>\$ (70,500)</u>	<u>\$ 57,237</u>

The following table set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31:

	<u>2022</u>				<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets not Held at Fair Value</u>	
Mutual Funds	\$ 467,536	\$ -	\$ -	\$ -	\$ 467,536
Certificate of Deposit	-	-	-	100,565	100,565
Total Investments	<u>\$ 467,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,565</u>	<u>\$ 568,101</u>

  

	<u>2021</u>				<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets not Held at Fair Value</u>	
Mutual Funds	\$ 543,472	\$ -	\$ -	\$ -	\$ 543,472
Certificate of Deposit	-	-	-	-	-
Total Investments	<u>\$ 543,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543,472</u>

**NOTE 3 PROGRAM FEES REVENUE**

The Organization was primarily funded through the following sources for the years ended December 31:

	<u>2022</u>	<u>2021</u>
State of Minnesota (MA)	\$ 1,737,779	\$ 1,705,138
PMP/Commercial Insurance	306,755	177,058
Hennepin County	514,771	466,184
City Park and Recreations Departments	139,654	117,586
Private Party Fees and Services	56,328	19,429
Program Grants	5,419	-
Total	<u>\$ 2,760,706</u>	<u>\$ 2,485,395</u>

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 4 SPECIAL EVENTS**

Special events held by the Organization were as follows for the years ended December 31:

<b>SPECIAL EVENTS</b>	<u>2022</u>	<u>2021</u>
Summer Gala:		
Revenues	\$ 16,731	\$ 27,775
Expenses	<u>2,128</u>	<u>10,130</u>
Excess of Revenues Over Expenses	14,603	17,645
 Bowl-a-Thon:		
Revenues	10,270	5,347
Expenses	<u>915</u>	<u>649</u>
Excess of Revenues Over Expenses	9,355	4,698
 Ghostly Gala:		
Revenues	4,112	2,216
Expenses	<u>845</u>	<u>496</u>
Excess of Revenues Over Expenses	3,267	1,720
 Game Farm Gala:		
Revenues	45,883	52,028
Expenses	<u>37,005</u>	<u>34,633</u>
Excess of Revenues Over Expenses	8,878	17,395
 Other:		
Revenues	72,238	50,969
Expenses	<u>43,373</u>	<u>26,620</u>
Excess of Revenues Over Expenses	<u>28,865</u>	<u>24,349</u>
 Total Revenues	149,234	138,335
Less: Total Expenses	<u>(84,266)</u>	<u>(72,528)</u>
Special Events Revenues, Net	<u>\$ 64,968</u>	<u>\$ 65,807</u>

**NOTE 5 RETIREMENT PLAN**

The Organization has a qualified tax-deferred annuity plan under Internal Revenue Service Section 403(b) covering employees who satisfy the plan eligibility requirements. Contributions amount to 50% of the first 5% of compensation that is deferred by an eligible employee. For the years ended December 31, 2022 and 2021, the amount of the employer matching contributions was \$36,526 and \$29,003, respectively.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 6 LIQUIDITY AND AVAILABILITY**

The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments. As part of the Organization's liquidity management, annual operating budgets are built so that revenue breaks even with expenses.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 570,804	\$ 799,742
Investments	568,101	543,472
Accounts Receivable, Net	<u>357,540</u>	<u>274,027</u>
Total	<u>\$ 1,496,445</u>	<u>\$ 1,617,241</u>

**NOTE 7 RIGHT OF USE ASSET AND LEASE LIABILITIES**

The Organization leases office space and a copier under a long-term, noncancelable lease agreements. The following table provides Reach for Resources, Inc.'s right of use assets and lease liabilities for the year ended December 31, 2022.

Right of Use Assets:	
Financing Leases, Net	\$ 2,988
Operating Leases	<u>327,299</u>
Total	<u>\$ 330,287</u>
Lease Liabilities:	
Current:	
Financing Leases	\$ 2,106
Operating Leases	97,963
Noncurrent:	
Financing Leases	3,213
Operating Leases	<u>231,508</u>
Total	<u>\$ 334,790</u>

The following table provides quantitative information concerning the Organization's leases for the year ended December 31, 2022.

**REACH FOR RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 7 RIGHT OF USE ASSET AND LEASE LIABILITIES (CONTINUED)**

Finance Lease Costs:	
Amortization of ROU Assets	\$ 2,988
Interest on Lease Liabilities	86
Operating Lease Costs	103,477
Total Lease Costs	<u>\$ 106,551</u>

Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Finance Leases	\$ 86
Operating Cash Flows from Operating Leases	101,305
Financing Cash Flows from Finance Leases	1,805

ROU Assets Obtained in Exchange for New Operating Lease Liabilities	424,440
---	---------

Weighted Average Remaining Lease Term:	
Financing Leases	2.4 years
Operating Leases	3.3 years

Weighted Average Discount Rate:	
Financing Leases	1.37%
Operating Leases	1.70%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022 is as follows:

<u>Year Ending July 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2023	\$ 102,660	\$ 2,163
2024	104,015	2,163
2025	105,371	1,081
2026	26,427	-
Total Lease Payments	<u>338,473</u>	<u>5,407</u>
Less: Interest	<u>(9,002)</u>	<u>(88)</u>
Present Value of Lease Liabilities	<u>\$ 329,471</u>	<u>\$ 5,319</u>

For the years ended December 31, 2022 and 2021, total rent expense was \$112,035 and \$110,901, respectively.



**REACH FOR RESOURCES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**NOTE 8 IN-KIND CONTRIBUTIONS**

The Organization received donated items in conjunction with their fundraising events. These items are recorded at their fair market value as of the date of receipt and are classified in in-kind contributions in the accompanying financial statements and a corresponding expense in the categories listed below.

In-kind contributions consist of the following for the years ended December 31:

	2022	2021
Radio Outreach and Advertising	\$ 66,000	\$ 56,400
Auction Items and Prizes	37,452	68,821
Game Farm Gala Event	1,483	153
Other	12,020	53,030
Total	\$ 116,955	\$ 178,404

**NOTE 9 ACQUISITION OF TRANSPORTATION RESOURCE TO AID INDEPENDENT LIVING, INC. (TRAIL)**

On June 1<sup>st</sup>, 2023, the Organization entered into a Program and Asset Transfer Agreement with Transportation Resource to Aid Independent Living, Inc. (TRAIL), which is a Minnesota nonprofit donor-supported operator of transportation services for individuals with disabilities. The agreement stated that the Organization would receive, as an irrevocable gift, the ownership and operational control of TRAIL’s transportation service program, including all intellectual property, rights management and any existing contracts, and all financial assets.

The Organization is estimated to acquire assets of approximately \$120,000 from the TRAIL acquisition, which will be required to be held in the “TRAIL Fund” and must be used in a manner consistent with TRAIL’s past practices. Additionally, the Organization agreed to enter into an employment agreement to hire the existing Administrative Assistant as Manager of Transportation Services.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.