SPECIAL REACH, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022

Haynie & Company

HaynieCPAs.com

Haynie & Company
Certified Public Accountants
& Management Consultants

2702 N. Loop 1604 E., Ste. 202
San Antonio, TX 78232
210-979-0055
210-979-0058
www.HaynieCPAs.com

INDEPENDENT AUDTOR'S REPORT

The Board of Directors of
Special Reach, Inc.

Opinion

We have audited the accompanying financial statements of Special Reach, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 the Organization as of December 31, 2022, and the changes in its net assets and its 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 the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization'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 the Organization'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.

Haynie & Company

San Antonio, TX
February 28, 2023

SPECIAL REACH, INC.
Statement of Financial Position
December 31, 2022

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	593,502
Gift Cards		1,659
Total Current Assets		595,161
Other Assets		
Security Deposit		1,126
Right of Use Asset - Current Portion		15,866
Fixed Assets, Net of		
Accumulated Depreciation		1,709
Total Other Assets		18,701
TOTAL ASSETS	$	613,862
LIABILITIES AND NETS ASSETS		
Current Liabilities		
Accounts Payable	$	760
Credit Card Payable		2,072
Right of Use Liability - Current Portion		15,866
Total Current Liabilities		18,698
Net Assets		
Without Donor Restrictions		595,164
TOTAL LIABILITIES AND NET ASSETS	$	613,862

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

SPECIAL REACH, INC.
Statement of Activities
Year Ended December 31, 2022

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Public Contributions	$ 332,717	$ -	$ 332,717
Corporate Contributions	46,522	-	46,522
Fundraising	139,958	-	139,958
Program Revenue	46,672	-	46,672
Investment Revenue	91	-	91
Other Revenue	4,751	-	4,751
	570,711	-	570,711
EXPENSES			
Program Services	243,421	-	243,421
Management and General	85,303	-	85,303
Fundraising	72,471	-	72,471
	401,195	-	401,195
Increase in Net Assets	169,516	-	169,516
Net Assets at Beginning of Year	425,648	-	425,648
Net Assets at End of Year	$ 595,164	$ -	$ 595,164

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

SPECIAL REACH, INC.
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Accounting and Audit	$ -	$ 7,460	$ -	$ 7,460
Auto and Travel	1,053	211	842	2,106
Computer and Software	-	5,464	-	5,464
Conferences	-	719	-	719
Depreciation	4,842	-	-	4,842
Equipment and Supplies	5,533	3,980	-	9,513
Fundraising Fees	-	-	21,308	21,308
Insurance	5,854	1,673	836	8,363
Interest	-	24	-	24
Marketing and Promotion	1,487	567	-	2,054
Other	2,976	1,631	728	5,335
Personnel	209,241	46,517	48,757	304,515
Rent	12,435	14,016	-	26,451
Telephone and Internet	-	3,041	-	3,041
	$ 243,421	$ 85,303	$ 72,471	$ 401,195

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

SPECIAL REACH, INC.
Statement of Cash Flows
Year Ended December 31, 2022

Cash Flow from Operating Activities:		
Change in Net Assets	$	169,516
Adjustments to Reconcile Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation		4,843
(Increase) Decrease in:		
Gift Cards		2,380
Right of Use Asset		(15,866)
Increase (Decrease) in:		
Accounts Payable		(3,730)
Credit Card Payable		1,389
Right of Use Liability		15,866
Net Cash Provided by Operating Activities		174,398
Net Increase in Cash		174,398
Cash at the Beginning of the Year		419,104
Cash at the End of the Year	$	593,502

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

SPECIAL REACH, INC.
Notes to Financial Statements
Year Ended December 31, 2022

1. Nature of the Organization

Special Reach Inc. (the Organization) is a non-profit organization organized in 2011 to provide dynamic enrichment programs for children with developmental delays and respite for their families. The Organization provides summer enrichment programs and other programs during the school year where children with special needs can have a fun and safe experience.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The costs of providing Organization programs and the administration of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Assets

Under provisions elected, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization's policy is to record revenues in which restrictions are met in the same period as unrestricted revenue. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that may or will be satisfied by the passage of time or by actions of the Organization.

Revenue Recognition

In June 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-05, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Organization determines revenue recognition by: (1) Identifying the contract with the customer; (2) Identifying the performance obligations in the contract; (3) Determining the transaction price; (4) Allocating the transaction price to performance obligations in the contract; and (5) Recognizing revenue when, or as the Organization satisfies performance obligations by transferring the promised goods or services. Performance obligations are met by the Organization at various times throughout the year, thus revenue is not recognized until the event takes place.

2. Summary of Significant Accounting Policies (Continued)

Contributions and Restricted and Unrestricted Revenue

Contributions received are recorded as Net Assets Without Donor Restrictions or Net Assets With Donor Restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Cash and Cash Equivalents*:*

For purposes of cash flows, the Organization considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

Leases

The Organization presents leases at their amortized right of use asset and right of use lease liability balances. The Organization uses the discount rate to determine the appropriate interest and amortization expense amounts. The assets and liabilities are amortized each month by the difference between the lease payment and the interest amount. Interest is determined by adopting the prevailing interest rates that would be used if a loan had been obtained to acquire the assets. The interest rate used for the office is 4.73%.

3. Concentration of Credit Risk

The Organization maintains cash balances with two banks. The Organization maintains cash accounts at financial institutions that are insured by the Federal Deposit Insurance Company (FDIC). At times, balances deposited with the financial institution have exceeded FDIC coverage; however, the Organization has not experienced any historical losses as a result of this risks.

4. Fixed Assets

At December 31, 2022, fixed assets consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Vehicles				
Vans	$ 54,424	$ -	$ -	$ 54,424
Total Vehicles	54,424	-	-	54,424
Less: Accumulated Depreciation	(47,873)	(4,842)	-	(52,715)
Fixed Assets, Net of Depreciation	$ 6,551	$ (4,842)	$ -	$ 1,709

Depreciation Expense was $4,842 for the year ended December 31, 2022.

5. Operating Leases

The Organization has one operating lease for its office space. The office space lease is used for the primary operations of the Organization The lease payment is $1,351 per month and is for 12 months terminating on December 31, 2023.

The following is a schedule, of approximate future minimum lease payments required under these leases:

Year Ending December 31,	
2023	$ 16,212
Total Minimum Lease Payments	16,212
Less Amount Reprsenting Interest	346
Present Value of Minimum Lease Payments	15,866
Less Current Portion	15,866
Long Term Portion	$ -

Total lease payments made in 2022 under non-cancellable lease commitments was $14,040.

6. Uncertain Tax Position

The Organization must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Organization did not recognize any additional liabilities for uncertain tax positions as a result of the implementation of ASC 740-10-258. The Organization is not subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities for years before December 31, 2020.

7. Liquidity and Availability

The Organization manages liquidity needed for operations primarily through budgeted cash inflows and outflows. Cash inflows can be easily estimated since they are comprised mostly of contributions and fundraising. Cash outflows are planned accordingly so as not to exceed those expected inflows. Excess operating cash is on hand in the event of unexpected outflows or for use a source of investment funds.

8. Functional Expenses

The Organization provides summer enrichment programs and other programs during the school year where children with special needs can have a fun and safe experience. The methods of allocating expenses related to providing these services are as follows:

Expense	Method of Allocation
Accounting and Audit	Charged as Incurred by Program
Auto and Travel	Charged as Incurred by Program
Computer and Software	Charged as Incurred by Program
Conferences	Charged as Incurred by Program
Depreciation	Charged as Incurred by Program
Equipment and Supplies	Charged as Incurred by Program
Fundraising Fees	Charged as Incurred by Program
Insurance	Charged as Incurred by Program
Interest	Charged as Incurred by Program
Marketing and Promotion	Charged as Incurred by Program
Other	Charged as Incurred by Program
Personnel	Time and Effort by Program
Rent	Charged as Incurred by Program
Telephone and Internet	Charged as Incurred by Program

9. Implementation New Accounting Standard

In June 2020 the Financial Accounting Standards Board issued Accounting Standards Update (ASU) ASU 2016-06, Leases (Topic 842). The standard is required to be adopted for the fiscal year beginning January 1, 2022. Organizations with lease terms of 1 year or less are not required to adopt ASU 2016-06, Leases (Topic 842). However, if it there is an automatic renewal option or it is likely that the lease will be renewed then the standard should be adopted. The Organization implemented the lease standard beginning in 2022.

10. COVID-19 Impact

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or client's ability to use our services. Operating functions that may be changed include intake and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include fundraising and contribution funding. The future effects of these issues are unknown.

11. Subsequent Events

Management has evaluated subsequent events through February 28, 2023, which is the date the financial statements were available to be issued.