

Sojourner Project, Inc.

Financial Statements with
Independent Auditor's Report

December 31, 2024

Sojourner Project, Inc.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sojourner Project, Inc.

Opinion

We have audited the accompanying financial statements of Sojourner Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Sojourner Project, Inc. as of December 31, 2024, 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 Sojourner Project, 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 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 Sojourner Project, 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 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 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 Sojourner Project, 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 Sojourner Project, 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.

Report on Summarized Comparative Information

We have previously audited Sojourner Project, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schutz CPA, Ltd.

March 17, 2025

Sojourner Project, Inc.
Statement of Financial Position
December 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Assets		
<u>Current Assets</u>		
Cash	\$ 536,623	\$ 413,316
Accounts Receivable	194,478	256,959
Prepaid Expenses	16,959	13,390
Total Current Assets	748,060	683,665
<u>Property and Equipment</u>		
Land	286,891	286,891
Building	2,551,241	2,551,241
Building Improvements	131,025	120,688
Furniture and Equipment	308,856	322,245
Total Property and Equipment	3,278,013	3,281,065
Accumulated Depreciation	(1,774,677)	(1,735,895)
Net Property and Equipment	1,503,336	1,545,170
<u>Other Assets</u>		
Investments	1,530,494	1,431,080
Total Assets	\$ 3,781,890	\$ 3,659,915
Liabilities		
<u>Current</u>		
Accounts Payable	19,613	14,303
Accrued Payroll	28,058	15,547
Accrued PTO	28,758	16,575
Total Current Liabilities	76,429	46,425
Total Liabilities	76,429	46,425
Net Assets		
Net Assets Without Donor Restrictions	3,655,611	3,534,980
Net Assets With Donor Restrictions	49,850	78,510
Total Net Assets	3,705,461	3,613,490
Total Liabilities and Net Assets	\$ 3,781,890	\$ 3,659,915

Sojourner Project, Inc
Statement of Activities
Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024			2023
	Without Donor Restriction	With Donor Restriction	Total	Total
Support and Revenue				
Grants and Contributions	\$ 319,245	\$ 59,850	\$ 379,095	\$ 528,791
Grants from Governmental Agencies	1,042,745		1,042,745	976,188
Other Income	32,390		32,390	195
In Kind Supplies	53,437		53,437	47,285
In Kind Forgiveness of Debt				40,000
Investment Income	100,120		100,120	73,899
Released from Restrictions	88,510	(88,510)		
Total Support and Revenue	<u>1,636,447</u>	<u>(28,660)</u>	<u>1,607,787</u>	<u>1,666,358</u>
Expenses				
<u>Program Expenses</u>				
Shelter	762,393		762,393	746,253
Legal Advocacy	123,403		123,403	70,155
Intervention Advocacy	271,374		271,374	246,850
Education and Outreach	37,249		37,249	36,360
Total Program Expenses	<u>1,194,419</u>		<u>1,194,419</u>	<u>1,099,618</u>
<u>Support Service Expenses</u>				
Management and General	215,732		215,732	262,740
Fund Raising	105,665		105,665	43,017
Total Support Service Expenses	<u>321,397</u>		<u>321,397</u>	<u>305,757</u>
Total Expenses	<u>1,515,816</u>		<u>1,515,816</u>	<u>1,405,375</u>
Change in Net Assets	<u>120,631</u>	<u>(28,660)</u>	<u>91,971</u>	<u>260,983</u>
Net Assets - Beginning of Year	3,534,980	78,510	3,613,490	3,352,507
Net Assets - End of Year	<u>\$ 3,655,611</u>	<u>\$ 49,850</u>	<u>\$ 3,705,461</u>	<u>\$ 3,613,490</u>

Sojourner Project, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024							2023 Total	
	Community Legal Advocacy Dept.			Total					
	Shelter	Legal Advocacy	Intervention Advocacy	Education and Outreach	Program Services	Management and General	Fund Raising		Total
Client Assistance	\$ 75,331	\$ 571	\$ 3,433		\$ 79,335			\$ 79,335	\$ 133,100
Depreciation	48,059	9,074	13,108	9,074	79,315	\$ 9,074		88,389	110,334
Dues, Subscriptions and Licenses	1,423	29	606	17	2,075	3,248	\$ 167	5,490	5,610
Employee Benefits	27,456	25,101	586	274	53,417	13,553	5	66,975	45,758
Insurance	21,805	2,726	2,726	606	27,863	4,270	606	32,739	36,429
Other	675	375	831	1,221	3,102	3,071	977	7,150	7,399
Payroll Tax Expense	30,038	2,784	13,268	303	46,393	14,900	3,280	64,573	61,217
Postage and Delivery				121	121	805	710	1,636	1,972
Printing and Duplicating				1,114	1,114	2,075		3,189	4,922
Professional Fees and Contracts	5,442	264	48,128	284	54,118	17,519	52,309	123,946	45,848
Repair and Maintenance	51,172	3,975	3,973	884	60,004	3,740	884	64,628	62,095
Salaries	459,068	73,599	175,723	19,863	728,253	135,836	29,904	893,993	814,862
Supplies and Office Expense	5,733	534	955	690	7,912	1,571	15,746	25,229	14,789
Technology	9,727	1,165	1,215	303	12,410	3,457	303	16,170	16,760
Telephone and Internet	10,111	1,422	1,342	281	13,156	842	281	14,279	13,935
Travel and Auto	2,202		3,696	1,720	7,618	582		8,200	5,807
Utilities	14,151	1,784	1,784	494	18,213	1,189	493	19,895	24,538
Total Expenses	\$ 762,393	\$ 123,403	\$ 271,374	\$ 37,249	\$ 1,194,419	\$ 215,732	\$ 105,665	\$ 1,515,816	\$ 1,405,375

See accompanying notes to financial statements.

Sojourner Project, Inc.
Statement of Cash Flows
Years Ended December 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash Flows from (to) Operating Activities		
Change in Net Assets	\$ 91,971	\$ 260,983
Adjustments to Reconcile:		
Depreciation	88,389	110,334
Adjustment to Depreciation	(22,851)	
In Kind Loan Forgiveness		(40,000)
Realized and Unrealized (Gain) Loss on Investments	(99,414)	(73,899)
(Increase) Decrease in Accounts Receivable	62,481	(166,424)
(Increase) Decrease in Prepaid Expenses	(3,569)	(6,891)
Increase in Accounts Payable	5,310	7,431
Increase (Decrease) in Accrued Expenses	24,694	2,422
Net Cash from Operating Activities	147,011	93,956
Cash Flows (to) Investing Activities		
Purchase of Property and Equipment	(23,704)	(1,151)
Purchase of Investments		(548,778)
Net Cash (to) Investing Activities	(23,704)	(549,929)
Net Increase in Cash	123,307	(455,973)
Cash, Beginning of Year	413,316	869,289
Cash, End of Year	\$ 536,623	\$ 413,316

Sojourner Project, Inc.
Notes to Financial Statements
December 31, 2024

Note 1: Nature of the Organization

Sojourner Project, Inc. (the Organization) is organized for charitable, civic community welfare, education and intervention purposes. The programs of the Organization provide emergency and long-term help to persons affected by violence in the home. The Organization provides these services from facilities located in the western suburbs of Minneapolis, Minnesota. A facility was completed and placed in service in October 2002, for program activities and administrative offices. Sojourner currently provides the following programs and services:

- **A 24/7 Crisis/Help Line** receives calls for immediate assistance
- **Sojourner Shelter** is an emergency housing facility for women and children from throughout the Twin Cities and the state who are unsafe in their homes.
- **Community Legal Advocacy Program** is a non-residential program that offers legal advocate and other support services to victims of domestic violence. They assist victims in criminal, family, and civil court matters.
- **Community Outreach, Education, and Training** develops and presents information to raise awareness and understanding of domestic violence, promote prevention, and provide training to improve law enforcement and other professional responses.
- **Sojourner's Volunteer Program** promotes community involvement through contributed service as well as in-kind donations.

Note 2: Summary of Significant Accounting Policies

Financial Statement Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Prior Year Summarized Comparative Financial Information: The December 31, 2023 financial statements are presented as summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023.

Cash: The Organization holds cash at financial institutions.

Accounts Receivable: The Organization's accounts receivable consists mostly of government grants for reimbursement of expenses and donations that were effectively received in the current year but not received until the following year. Management believes that accounts receivable are fully collectible and that no allowance for uncollectible accounts is considered necessary.

Property and Equipment: The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at the estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to forty years.

Investments: Investments are reported at cost, if purchased, or at fair value if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment income in the statement of activities.

Estimates: The preparation of financial statements in accordance 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.

Sojourner Project, Inc.
Notes to Financial Statements
December 31, 2024

Note 2: Summary of Significant Accounting Policies (Continued)

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

Net Assets Without Donor Restrictions: Net assets which are not limited by donor-imposed stipulations.

Net Assets With Donor Restrictions: Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time or are required by donor-stipulations that they be maintained by the Organization, that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Organization.

Revenue and Revenue Recognition: The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a 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 met.

A portion of the Organization's revenue is derived from cost-reimbursable state and county contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. During 2024, the Organization's cost-reimbursable grants were amended. At December 31, 2024, \$561,201 remains to be used in future periods and was not recognized in 2024 because qualifying expenditures had not been incurred.

Contributed Services and Supplies: Contributed services are recognized for those services that improve or enhance property and equipment or for those that require specialized skills. In addition, volunteers donate many hours of service for which no value has been assigned and have not been recognized in the financial statements because they do not meet the recognition criteria as established by accounting standards. Donated supplies are valued at estimated fair market value at the date of donation.

Functional Allocation of Expenses: The costs of providing various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services based on time and effort and usage of facilities and equipment.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Leases: Office equipment leased by the Organization is minimal and expensed each month as expenses are incurred.

Note 3: Investments

The following schedule summarizes investment returns and their classification in the statement of activities for the years ended:

	2024	2023
Interest & Dividends on Investments	\$ 48,148	\$ 36,372
Unrealized Gains (Loss)	59,340	43,140
Expenses and Fees	(7,368)	(5,613)
Total Net Investment Income	<u>\$100,120</u>	<u>\$73,899</u>

Investments are held for future use and are not considered current assets.

Sojourner Project, Inc.
Notes to Financial Statement
December 31, 2024

Note 4: Fair Market Value Measurements

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level I inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level II inputs generally are based on indirect information, such as quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active. Level III inputs, which are the most subjective, are generally based on the Organization's own assumptions on how knowledgeable parties would price assets and are developed using the best information available in the circumstances. Level III inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. The Organization measures fair value using Level I inputs available for all of its investments. Level II and Level III inputs are only used when Level I inputs are not available.

2024	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Other Unobservable Inputs (Level III)	2024 Total
<u>Investments</u>				<u>\$ 13,801</u>
Sweep Options	\$ 13,801			\$ 13,801
Mutual Investment				
Equity Funds	297,182			297,182
Stock	36,450			36,450
Fixed Income				
Corporate Bonds		\$1,183,061		1,183,061
Total Investments	<u>\$347,433</u>	<u>\$1,183,061</u>	<u>\$-0-</u>	<u>\$1,530,494</u>
2023	Quoted Prices in Active Markets (Level I)	Significant Other Observable Inputs (Level II)	Significant Other Unobservable Inputs (Level III)	2023 Total
<u>Investments</u>				<u>\$ 98,646</u>
Sweep Options	\$ 98,646			\$ 98,646
Mutual Investment				
Equity Funds	250,865			250,865
Stock	32,104			32,104
Fixed Income				
Corporate Bonds		\$1,049,465		1,049,465
Total Investments	<u>\$381,615</u>	<u>\$1,049,465</u>	<u>\$-0-</u>	<u>\$1,431,080</u>

Note 5: Net Assets With Donor Restrictions

Net assets with donor restrictions consist of grants and contributions designated for program costs and for future periods. At December 31, 2024, the Organization had \$17,000 restricted by a donor to be used for outdoor improvements, \$7,500 restricted for the purchase of mattresses and bed frames, and \$25,350 restricted for timing. At December 31, 2023, there was \$14,260 restricted for outdoor improvements and \$64,250 restricted for timing.

Note 6: Liquidity and Availability

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

	2024	2023
Cash	\$ 536,623	\$ 413,316
Accounts Receivable	194,478	256,959
Investments	1,530,494	1,431,080
Total Financial Assets	2,261,595	2,101,355
Less Donor Restricted	(49,850)	(78,510)
Available Financial Assets	<u>\$2,211,745</u>	<u>\$2,022,845</u>

Sojourner Project, Inc.
Notes to Financial Statements
December 31, 2024

Note 6: Liquidity and Availability (Continued)

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Investments are available for use but the Organization's intention is to not utilize these investments for general expenditures.

Note 7: Financial Instruments and Credit Risk

The Organization maintains cash balances with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). For the past several years the cash accounts have been in excess of the FDIC limit. At December 31, 2024, and 2023, the balances in excess of the \$250,000 FDIC limit were \$286,623, and \$163,316, respectively. The Organization has not experienced any losses in such accounts, and management believes the Organization is not exposed to any significant credit risks related to cash and cash equivalents.

Note 8: Donated Goods

The Organization received donated goods which include household items and supplies, food, clothing, personal care items, and gifts for women and children participating in the programs. Donated amounts are recorded in financial statements as unrestricted support by the Organization at the estimated fair value on the date of donation based on the estimated cost to purchase similar items. The value of items will vary year-to-year based on the mix of items donated. As part of determining the price, the Organization analyzes and reviews the results to determine the accuracy and understand the key components of the valuations and the year-to-year changes.

Note 9: Commitments

The Organization has various office equipment leases which require monthly payments.

Note 10: Retirement Plan

The Organization has a salary reduction retirement plan which is qualified under Section 403(b) of the Internal Revenue Code. All employees of the Organization are eligible to participate in the Plan. No contributions were made to the Plan by the Organization for the years ended December 31, 2024 and 2023.

Note 11: Concentrations

The Organization is supported primarily by local donor contributions and grants from governmental units and foundations. Changes in funding sources could have a significant impact on the Organization.

Note 12: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through March 17, 2025, which was the date the financial statements were available to be issued.