

# 1 Day At A Time

## Financial Statements Together with Independent Auditors' Report

December 31, 2024

# 1 DAY AT A TIME

## CONTENTS

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	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
1 Day At A Time  
Minneapolis, Minnesota

### Opinion

We have audited the accompanying financial statements of 1 Day At A Time (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 1 Day At A Time 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 1 Day At A Time 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 1 Day At A Time's ability to continue as a going concern within one year after the date that 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 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 1 Day At A Time'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 1 Day At A Time'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.

*Olsen Thielens & Co., Ltd.*

Roseville, Minnesota  
November 17, 2025

# 1 DAY AT A TIME

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

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ASSETS	
CURRENT ASSETS:	
Cash	\$ 46,144
Pledges and Grants Receivable	327,724
Prepaid Expense	6,122
Total Current Assets	<u>379,990</u>
PROPERTY AND EQUIPMENT, NET	<u>8,157</u>
TOTAL ASSETS	<u>\$ 388,147</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts Payable	\$ 69,122
Accrued Payroll	8,182
Other Current Liabilities	8,940
Current Portion of Long-Term Debt, Related Party	18,466
Total Current Liabilities	<u>104,710</u>
LONG-TERM DEBT - RELATED PARTY	<u>75,197</u>
NET ASSETS:	
Net Assets With Donor Restrictions	235,755
Net Assets (Deficit) Without Donor Restrictions	(27,515)
Total Net Assets	<u>208,240</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 388,147</u>

*The accompanying notes are an integral part of the financial statements.*

# 1 DAY AT A TIME

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
Government Grants and Contracts	\$ 449,228	\$ —	\$ 449,228
Grants	—	255,000	255,000
General Contributions	290	—	290
Other	29,270	—	29,270
Fiscal Sponsorship	11,203	96,171	107,374
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	165,416	(165,416)	—
Total Support and Revenue	<u>655,407</u>	<u>185,755</u>	<u>841,162</u>
<b>EXPENSES:</b>			
Program Services:			
Education and Awareness	417,767	—	417,767
Fiscal Sponsorships	140,296	—	140,296
Total Program Expenses	<u>558,063</u>	<u>—</u>	<u>558,063</u>
Supporting Services:			
Fundraising	6,209	—	6,209
Management and General	12,534	—	12,534
Total Support Expenses	<u>18,743</u>	<u>—</u>	<u>18,743</u>
Total Expenses	<u>576,806</u>	<u>—</u>	<u>576,806</u>
CHANGE IN NET ASSETS	78,601	185,755	264,356
NET ASSETS (DEFICIT) at Beginning of Year	<u>(106,116)</u>	<u>50,000</u>	<u>(56,116)</u>
NET ASSETS (DEFICIT) at End of Year	<u>\$ (27,515)</u>	<u>\$ 235,755</u>	<u>\$ 208,240</u>

*The accompanying notes are an integral part of the financial statements.*

# 1 DAY AT A TIME

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2024

	Program Services			Supporting Services		
	Program Services	Fiscal Sponsorships	Total Program Services	Management and General	Fundraising Expenses	Total Supporting Services
Salaries	\$ 180,865	\$ -	\$ 180,865	\$ 8,851	\$ 2,694	\$ 11,545
Employee Benefits	15,583	-	15,583	763	232	995
Payroll Taxes	10,861	-	10,861	531	162	693
Total Payroll Salaries, Benefits, and Taxes	207,309	-	207,309	10,145	3,088	13,233
Advertising and Marketing	-	-	-	-	2,414	2,414
Credit Loss	2,855	-	2,855	140	43	183
Bank Fees and Charges	166	-	166	8	2	10
Fiscal Sponsorship Payments	-	140,296	140,296	-	-	-
Insurance	1,571	-	1,571	80	24	104
Interest	2,576	-	2,576	126	38	164
Miscellaneous	570	-	570	88	8	96
Occupancy	14,145	-	14,145	692	211	903
Office Expenses	1,820	-	1,820	89	27	116
Other Program Expenses	4,229	-	4,229	-	-	-
Professional Fees and Contract Services	14,709	-	14,709	720	219	939
Rent and Rent Deposit Services	150,359	-	150,359	-	-	-
Service Expenses	8,335	-	8,335	-	-	-
Small Equipment and Software	6,606	-	6,606	323	98	421
Telephone and Internet	2,113	-	2,113	103	31	134
Depreciation	404	-	404	20	6	26
Total Expenses	\$ 417,767	\$ 140,296	\$ 558,063	\$ 12,534	\$ 6,209	\$ 18,743
						\$ 576,806

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

## 1 DAY AT A TIME

### STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2024

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 264,356
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:	
Depreciation	430
Non-Cash Lease Expense	15,048
Operating Lease Payments	(14,270)
Change in Assets and Liabilities:	
Pledges and Grants Receivable	(258,245)
Prepaid Expense	(2,030)
Accounts Payable	65,193
Accrued Payroll	1,562
Other Current Liabilities	4,389
Net Cash Flows From Operating Activities	<u>76,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Property and Equipment	<u>(8,587)</u>
Net Cash Flows From Investing Activities	<u>(8,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on Line of Credit	(9,900)
Principal Payments on Long-Term Debt	<u>(11,209)</u>
Net Cash Flows From Financing Activities	<u>(21,109)</u>
NET CHANGE IN CASH	46,737
CASH at Beginning of Year	<u>(593)</u>
CASH at End of Year	<u>\$ 46,144</u>

*The accompanying notes are an integral part of the financial statements.*



# 1 DAY AT A TIME

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

1 Day At A time (the Organization) is a nonprofit organization that was established in 2016 to assist single adults and families in securing housing through government contracts, housing education and financial support. The Organization is supported primarily through contributions and grants and is located in the Twin Cities Metropolitan area of Minnesota.

#### **Basis of Presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues, expenses, gains and losses, and net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions are resources available to support operations which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

#### **Accounting Estimates**

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

#### **Subsequent Events**

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through November 17, 2025, the date the financial statements were available to be issued.

#### **Pledges and Grants Receivable**

Pledges and grants receivable consist of unconditional promises to give and are recognized as revenue in the period made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted using present value of future cash flows. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history. All receivables are expected to be collected within 12 months therefore no discount is recorded.

# 1 DAY AT A TIME

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximated fair value at the date of donation. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gain or loss thereon is reflected in the statement of activities.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets of 5 years.

#### **Revenue Recognition**

The significant sources of revenue and support for the Organization are discussed below.

##### Contribution and Grant Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or 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. Donor-imposed contributions are reported as net assets with donor restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

##### Government Grants and Contract Revenue

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Refundable advances consist of contract revenue received but not yet expended. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made. Management believes that any disallowances, if any, would not have a significant effect on the statement of financial position.

Substantially all support and revenue is recorded based on requirements of ASC 958. ASC 606 sourced revenues were \$29,270 for the year ended December 31, 2024.

#### **Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. General and administrative that are common to several functions are allocated based on the proportion of each program's direct and personnel expenses to the total program direct and personnel expenses.

# 1 DAY AT A TIME

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, the statements do not include a provision for income taxes but is subject to income tax on net unrelated business income. The Organization had no unrelated business income tax in 2024.

The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service.

### NOTE 2 - FISCAL SPONSORSHIP

The Organization acts as a fiscal sponsor to emerging projects based in Minnesota. These entities may be in the process of applying for 501(c)(3) status or may be short-term in nature or may be exploring whether becoming a separate nonprofit is the most appropriate long-term strategy to accomplish their mission. The Organization accepts charitable grants and contributions on behalf of these projects. These funds are treated as contributions with donor restrictions when received by the Organization. These funds are released from restrictions as the Organization in turn grants them to the fiscally sponsored recipients. The Organization ultimately retains the discretion to redirect the funds to another entity needed to accomplish the intended purpose of the donation or grant.

Incoming grants received by the Organization on behalf of fiscally sponsored clients are recorded as cash and restricted revenue. Fiscally sponsored clients request funds to be transferred to them, at which time the Organization records the outgoing cash as release from restrictions and expenses.

As of December 31, 2024, the Organization has recorded \$67,284 of receivables and payables related to fiscal sponsorship arrangements.

### NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization maintains and manages adequate operating reserves per policies set by the Board of Directors.

The following table reflects the Organization's financial assets as of December 31 that are available to meet general expenditures within the next year:

Available for General Expenditures:	
Cash	\$ 46,144
Pledges and Grants Receivable	327,724
Total Financial Assets	373,868
Less Donor Imposed Purpose Restricted Net Assets	(235,755)
Amounts Available for General Expenditure Within One Year	<u>\$ 138,113</u>

## 1 DAY AT A TIME

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 4 - LEASE COMMITMENTS

The Organization leases office space. This lease had a 2-year term which expired in December 2024 from a related-party of the Organization. Effective January 1, 2025, this lease is on a month-to-month arrangement.

Variable payments were not determinable at the lease commencement and were not included in the measurement of the lease assets and liabilities. The lease agreement did not include any material residual value guarantees or restrictive covenants.

The Organization's lease arrangements contained both lease and non-lease components. Non-lease components included certain operating and maintenance cost of the leased office space.

The components of lease expense that are included in Occupancy Expense on the Statement of Functional Expenses for the year ended December 31 were as follows:

Operating Lease Costs	\$ 15,048
Variable Lease Costs	<u>—</u>
Total	<u>\$ 15,048</u>

The Organization's operating lease liability and operating lease right-of-use asset were \$0 as of December 31, 2024. The Organization did not use a discount rate in calculation of lease liability as potential discount was deemed to be immaterial.

#### NOTE 4 - LINE OF CREDIT AND LONG-TERM DEBT

The Organization has a revolving line of credit of \$30,000 with City and County Credit Union. The current line of credit expires December 1, 2025. The line bears interest at 1.50% plus the Wall Street Journal Prime Rate. The Wall Street Journal Prime Rate was 7.50%; therefore, the interest rate on the line was 9.00% as of December 31, 2024. The outstanding balance at December 31, 2024, was \$0.

In September 2022, the Organization entered into a loan with McLemore Holdings, LLC (a related party) for \$66,504. The loan bears interest at a fixed rate of 4.00%. The loan matures on August 1, 2033, and requires monthly principal and interest payments of \$560. The outstanding balance at December 31, 2024, was \$48,853.

In December 2023, the Organization entered into a loan with McLemore Holdings, LLC (a related party) for \$10,000. The loan bears interest at a fixed rate of 4.00%. The loan matures on July 1, 2026, and requires monthly principal and interest payments of \$347. The outstanding balance at December 31, 2024, was \$6,170.

In December 2023, the Organization entered into a loan with Richard McLemore (a related party) for \$46,017. The loan bears interest at a fixed rate of 4.00%. The loan matures on September 1, 2030, and requires monthly principal and interest payments of \$641. The outstanding balance at December 31, 2024, was \$38,640.

## 1 DAY AT A TIME

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 4 - LINE OF CREDIT AND LONG-TERM DEBT (Continued)

Debt maturities are as follows:

2025	\$ 18,466
2026	13,845
2027	11,911
2028	12,397
2029	12,902
Later Years	<u>24,142</u>
	<u>\$ 93,663</u>

Cash payments for interest were \$2,740 in 2024.

#### NOTE 5 - PROPERTY AND EQUIPMENT

The Organization's property and equipment consists of the following at December 31:

Furniture and Office Equipment	\$ 8,587
Less Accumulated Depreciation	<u>430</u>
Net Property and Equipment	<u>\$ 8,157</u>

#### NOTE 6 - CONCENTRATIONS

The Organization derived 100% of its government grants and contracts from one contract for the year ended December 31, 2024. The Organization derived 100% of its donor-restricted grant from three donors for the year ended December 31, 2024.

#### NOTE 7 - NET ASSET

Net assets with donor restrictions consist of the following at December 31, 2024:

Purpose Restrictions - Fiscal Sponsorship	\$ 6,300
Time & Purpose Restrictions - Grants	134,425
Time Restrictions - Grants	<u>95,030</u>
Total	<u>\$ 235,755</u>

Net assets with donor restrictions released from restriction were \$165,416 in 2024. Net assets with donor restrictions were released from restriction due to satisfaction of purpose and time restrictions.