

# **Open Door Mission**

**Financial Statements and  
Independent Auditors' Report**

**March 31, 2024 and 2023**



# Open Door Mission

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Open Door Mission  
Omaha, Nebraska

### Opinion

We have audited the accompanying financial statements of Open Door Mission (the Organization), which comprise the statements of financial position as of March 31, 2024 and 2023, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We have 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 the Organization and to meet our 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 these 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 issued or available to be issued.

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

Our objectives are to obtain reasonable assurance 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 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 judgement, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Lutz & Company, P.C.*

August 1, 2024

# Open Door Mission

## Statements of Financial Position

March 31, 2024 and 2023

<b>ASSETS</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 11,174,992	\$ 9,405,120
Restricted Cash and Cash Equivalents	627,514	585,911
Marketable Securities	5,653,298	4,776,487
Inventories	802,487	873,276
Prepaid Expenses	100,234	87,801
Other Current Assets	1,875	4,590
Total Current Assets	18,360,400	15,733,185
<b>PROPERTY AND EQUIPMENT</b>		
Land	2,495,716	2,255,618
Buildings and Improvements	8,597,518	8,572,399
Furniture and Equipment	1,594,081	1,457,772
Vehicles	841,003	653,472
Construction in Progress	466,016	-
Total Cost	13,994,334	12,939,261
Less Accumulated Depreciation	5,157,204	4,559,320
Net Book Value	8,837,130	8,379,941
<b>OTHER ASSETS</b>		
Accrued Interest Receivable, Related Party	1,395,539	1,273,234
Notes Receivable, Related Party	2,368,321	2,368,321
Operating Lease Right-of-Use Assets	1,977,566	2,450,620
Advances to Affiliates	435,253	435,253
Restricted Marketable Securities for Endowment	3,222,338	-
Deposits	80	80
Total Other Assets	9,399,097	6,527,508
<b>TOTAL ASSETS</b>	<b>\$ 36,596,627</b>	<b>\$ 30,640,634</b>

See Notes to Financial Statements.

# Open Door Mission

## Statements of Financial Position

March 31, 2024 and 2023

<b>LIABILITIES</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 131,739	\$ 96,460
Accrued Compensation and Other Accrued Expenses	415,189	237,309
Current Portion of Operating Lease Liabilities	450,245	445,434
<b>Total Current Liabilities</b>	<b>997,173</b>	<b>779,203</b>
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Portion	450,000	450,000
Other Long-Term Liabilities	46,001	51,881
Operating Lease Liabilities, Less Current Portion	1,588,048	2,041,767
<b>Total Long-Term Liabilities</b>	<b>2,084,049</b>	<b>2,543,648</b>
<b>Total Liabilities</b>	<b>3,081,222</b>	<b>3,322,851</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without Donor Restrictons	31,458,450	27,102,460
With Donor Restrictions	2,056,955	215,323
<b>Total Net Assets</b>	<b>33,515,405</b>	<b>27,317,783</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 36,596,627</b>	<b>\$ 30,640,634</b>

See Notes to Financial Statements.

# Open Door Mission

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT</b>			
Contributions	\$ 9,961,048	\$ 2,998,781	\$ 12,959,829
Non-Cash Contributions	15,926,111	-	15,926,111
Bequests and Memorials	2,662,539	-	2,662,539
Total Support	28,549,698	2,998,781	31,548,479
<b>REVENUE</b>			
Interest and Dividends	700,928	-	700,928
Net Realized Gain on Sale of Marketable Securities	200,178	-	200,178
Change in Net Unrealized Holding Gain on Marketable Securities	752,162	-	752,162
Rental Income	507,719	-	507,719
Miscellaneous	299,024	-	299,024
Total Revenue	2,460,011	-	2,460,011
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of Program Restrictions	1,157,149	(1,157,149)	-
<b>TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>32,166,858</b>	<b>1,841,632</b>	<b>34,008,490</b>
<b>EXPENSES</b>			
Program Services			
Lydia House - Women and Children's Emergency Services	3,833,573	-	3,833,573
Lydia House - Women and Children's Recovery Services	1,592,841	-	1,592,841
Open Door Mission - Men's Emergency Services	4,959,439	-	4,959,439
Open Door Mission - Men's Recovery Services	1,201,638	-	1,201,638
Public Services	9,964,480	-	9,964,480
Public Education	171,521	-	171,521
Permanent Supportive Housing	2,142,697	-	2,142,697
Total Program Expenses	\$ 23,866,189	\$ -	\$ 23,866,189

See Notes to Financial Statements.

# Open Door Mission

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2024

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Supporting Services			
General and Administrative	\$ 1,221,352	\$ -	\$ 1,221,352
Fundraising	2,723,327	-	2,723,327
Total Supporting Services Expenses	3,944,679	-	3,944,679
Total Expenses	27,810,868	-	27,810,868
<b>Increase in Net Assets</b>	4,355,990	1,841,632	6,197,622
Net Assets, Beginning of Year	27,102,460	215,323	27,317,783
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 31,458,450</b>	<b>\$ 2,056,955</b>	<b>\$ 33,515,405</b>

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See Notes to Financial Statements.



# Open Door Mission

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT</b>			
Contributions	\$ 12,340,027	\$ 1,018,270	\$ 13,358,297
Non-Cash Contributions	16,380,108	-	16,380,108
Bequests and Memorials	121,313	-	121,313
Total Support	28,841,448	1,018,270	29,859,718
<b>REVENUE</b>			
Interest and Dividends	312,222	-	312,222
Net Realized Loss on Sale of Marketable Securities	(66,552)	-	(66,552)
Change in Net Unrealized Holding Loss on Marketable Securities	(154,706)	-	(154,706)
Rental Income	492,324	-	492,324
Miscellaneous	328,805	-	328,805
Total Revenue	912,093	-	912,093
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of Program Restrictions	1,094,797	(1,094,797)	-
<b>TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>30,848,338</b>	<b>(76,527)</b>	<b>30,771,811</b>
<b>EXPENSES</b>			
Program Services			
Lydia House - Women and Children's Emergency Services	3,914,368	-	3,914,368
Lydia House - Women and Children's Recovery Services	1,024,555	-	1,024,555
Open Door Mission - Men's Emergency Services	4,242,604	-	4,242,604
Open Door Mission - Men's Recovery Services	1,285,369	-	1,285,369
Public Services	10,254,125	-	10,254,125
Public Education	141,280	-	141,280
Spiritual Support Ministries	30,124	-	30,124
Permanent Supportive Housing	2,192,558	-	2,192,558
Total Program Expenses	\$ 23,084,983	\$ -	\$ 23,084,983

See Notes to Financial Statements.

# Open Door Mission

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Supporting Services			
General and Administrative	\$ 1,159,544	\$ -	\$ 1,159,544
Fundraising	2,377,566	-	2,377,566
Total Supporting Services Expenses	3,537,110	-	3,537,110
Total Expenses	26,622,093	-	26,622,093
<b>Increase (Decrease) in Net Assets</b>	4,226,245	(76,527)	4,149,718
Net Assets, Beginning of Year	22,876,215	291,850	23,168,065
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 27,102,460</b>	<b>\$ 215,323</b>	<b>\$ 27,317,783</b>

See Notes to Financial Statements.

## Open Door Mission

### Statements of Functional Expenses - Program Services

Year Ended March 31, 2024

	Overnight Guests				Public Services	Public Education	Permanent Supportive Housing	Total
	Lydia House-Women and Children's Emergency Services	Lydia House-Women and Children's Recovery Services	Open Door Mission-Men's Emergency Services	Open Door Mission-Men's Recovery Services				
Direct Expenses	\$ 2,388,872	\$ 616,542	\$ 2,696,244	\$ 693,326	\$ 4,983,955	\$ 171,521	\$ 1,071,049	\$12,621,509
Salaries, Payroll Taxes and Related Benefits	607,737	640,433	1,294,979	240,777	1,011,118	-	483,854	4,278,898
Telephone	2,504	3,511	3,950	2,357	7,215	-	9,488	29,025
Occupancy, Including Depreciation	309,829	205,255	342,341	108,999	518,898	-	344,799	1,830,121
Printing, Postage and Office Supplies	2,707	2,763	2,061	2,089	5,156	-	3,754	18,530
Dues and Subscriptions	3	2	150	151	3	-	2	311
Travel and Conferences	694	2,427	1,047	5,093	1,057	-	1,303	11,621
Technology Support	9,135	6,817	4,747	7,856	8,716	-	6,565	43,836
Food and Kitchen	510,162	113,163	578,312	140,553	3,361,426	-	220,758	4,924,374
Vehicle Expenses	1,930	1,928	35,608	437	66,936	-	1,125	107,964
<b>Total</b>	<b>\$ 3,833,573</b>	<b>\$ 1,592,841</b>	<b>\$ 4,959,439</b>	<b>\$ 1,201,638</b>	<b>\$ 9,964,480</b>	<b>\$ 171,521</b>	<b>\$ 2,142,697</b>	<b>\$23,866,189</b>

See Notes to Financial Statements.

## Open Door Mission

### Statement of Functional Expenses – Program Services

Year Ended March 31, 2023

	Overnight Guests				Public Services	Public Education	Spiritual Support Ministries	Permanent Supportive Housing	Total
	Lydia House- Women and Children's Emergency Services	Lydia House- Women and Children's Recovery Services	Open Door Mission- Men's Emergency Services	Open Door Mission- Men's Recovery Services					
Direct Expenses	\$2,385,034	\$335,177	\$2,395,463	\$726,479	\$5,319,165	\$141,280	\$30,124	\$1,204,510	\$12,537,232
Salaries, Payroll Taxes and Related Benefits	704,166	427,093	915,674	284,824	827,768	-	-	359,637	3,519,162
Telephone	2,460	3,483	4,546	1,886	6,688	-	-	8,573	27,636
Occupancy, Including Depreciation	277,603	184,722	337,420	105,505	608,875	-	-	336,737	1,850,862
Printing, Postage and Office Supplies	1,854	1,945	1,730	1,878	11,435	-	-	2,461	21,303
Travel and Conferences	193	318	58	727	-	-	-	25	1,321
Technology Support	6,060	5,300	6,695	4,431	19,228	-	-	6,915	48,629
Food and Kitchen	535,694	65,162	546,453	159,145	3,396,938	-	-	273,006	4,976,398
Vehicle Expenses	1,304	1,355	34,565	494	64,028	-	-	694	102,440
<b>Total</b>	<b>\$ 3,914,368</b>	<b>\$ 1,024,555</b>	<b>\$ 4,242,604</b>	<b>\$ 1,285,369</b>	<b>\$ 10,254,125</b>	<b>\$ 141,280</b>	<b>\$ 30,124</b>	<b>\$ 2,192,558</b>	<b>\$23,084,983</b>

See Notes to Financial Statements.

## Open Door Mission

### Statement of Functional Expenses – Supporting Services

Year Ended March 31, 2024

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	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
General and Administrative - Other	\$ 79,818	\$ -	\$ 79,818
Mailing and Printing Costs	-	1,623,283	1,623,283
Bank Charges	63,559	-	63,559
Salaries, Payroll Taxes, and Related Benefits	764,488	1,029,056	1,793,544
Interest Expense	235	-	235
Telephone	5,495	5,062	10,557
Occupancy, Including Depreciation	170,286	31,963	202,249
Printing, Postage and Office Supplies	18,989	20,726	39,715
Professional Fees	57,173	-	57,173
Dues and Subscriptions	15,121	2,100	17,221
Travel and Conferences	25,485	3,487	28,972
Technology Support	8,064	3,756	11,820
Vehicle Expenses	12,639	3,894	16,533
<b>Total</b>	<b>\$ 1,221,352</b>	<b>\$ 2,723,327</b>	<b>\$ 3,944,679</b>

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See Notes to Financial Statements.

## Open Door Mission

### Statement of Functional Expenses – Supporting Services

Year Ended March 31, 2023

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	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
General and Administrative - Other	\$73,617	\$ -	\$ 73,617
Mailing and Printing Costs	-	1,494,846	1,494,846
Bank Charges	69,598	-	69,598
Salaries, Payroll Taxes, and Related Benefits	724,109	810,857	1,534,966
Telephone	6,715	6,984	13,699
Occupancy, Including Depreciation	121,309	28,977	150,286
Printing, Postage and Office Supplies	12,973	23,619	36,592
Professional Fees	54,021	-	54,021
Dues and Subscriptions	16,994	845	17,839
Travel and Conferences	31,359	495	31,854
Technology Support	10,085	7,106	17,191
Vehicle Expenses	38,764	3,837	42,601
<b>Total</b>	<b>\$ 1,159,544</b>	<b>\$ 2,377,566</b>	<b>\$ 3,537,110</b>

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See Notes to Financial Statements.

# Open Door Mission

## Statements of Cash Flows

Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 6,197,622	\$ 4,149,718
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	634,479	586,230
Net Realized (Gain) Loss on Sale of Marketable Securities	(200,178)	66,552
Change in Net Unrealized Holding (Gain) Loss On Marketable Securities	(752,162)	154,706
Contributions of Marketable Securities	(123,024)	(133,114)
Increase in Accrued Interest Receivable, Related Party	(122,305)	(118,742)
Gain on Sale of Property and Equipment	-	(6,125)
Lease Expense	22,665	36,581
Loss on Contract Termination	1,481	-
Decrease (Increase) in Operating Assets:		
Other Receivables	-	82,399
Inventories	70,789	153,895
Prepaid Expenses	(12,433)	(21,436)
Other Current Assets	2,715	225
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	35,279	(13,546)
Accrued Compensation and Other Accrued Expenses	177,880	(27,078)
Other Long-Term Liabilities	(5,880)	7,750
Net Cash Provided by Operating Activities	5,926,928	4,918,015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Marketable Securities	3,522,417	3,715,212
Purchase of Marketable Securities	(6,546,202)	(3,703,078)
Proceeds from Sale of Property and Equipment	-	8,106
Purchase of Property and Equipment	(1,091,668)	(2,633,168)
Net Cash Used in Investing Activities	(4,115,453)	(2,612,928)
Net Increase in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	1,811,475	2,305,087
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning of Year	9,991,031	7,685,944
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, End of Year</b>	<b>\$ 11,802,506</b>	<b>\$ 9,991,031</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Adoption of ASU 2016-02		
Operating Lease Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	\$ -	\$ 2,907,821

See Notes to Financial Statements.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### 1. Summary of Significant Accounting Policies

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A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

#### ***Organization and Nature of Activities***

Open Door Mission (the Organization) was incorporated on February 26, 1955 as Rescue Mission, Inc. d/b/a Open Door Mission, a Nebraska nonprofit corporation. In 2015, the Organization's name changed to Open Door Mission, a Nebraska religious nonprofit corporation. It operates as the Open Door Mission, Lydia House, and Timberlake Outreach Center from its locations in Omaha and Elkhorn, Nebraska and Council Bluffs, Iowa. The Organization is a human services organization whose mission is to provide for the needs of the homeless or needy persons with shelter, food and clothing and spiritual, physical and emotional help. The Organization provides an opportunity for guests to develop Christian lifestyles and become productive individuals in society.

#### ***Financial Statement Presentation***

The Organization follows Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for-Profit Entities*. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions.

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. Net assets and support, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. 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. The Board of Directors has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

**Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Net assets restricted by the actions of the Organization and/or the passage of time are temporary in nature. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Other donor-imposed stipulations are perpetual in nature and require that principal be maintained in perpetuity by the Organization. At March 31, 2024 and 2023, the Organization had \$1,724,900 and \$0, respectively, of net assets with donor restrictions perpetual in nature.



# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### *Use of Estimates*

The preparation 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.

### *Cash and Cash Equivalents and Restricted Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Organization considers all highly liquid investments, with an initial maturity of three months or less, to be cash and cash equivalents. The Organization considers all cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes to be restricted cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents at March 31 reported within the statements of financial position that sum to the total shown in the statements of cash flows.

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 11,174,992	\$ 9,405,120
Restricted Cash and Cash Equivalents	627,514	585,911
Total Cash and Cash Equivalents and Restricted Cash and Cash Equivalents shown in the Statements of Cash Flows	<u>\$ 11,802,506</u>	<u>\$ 9,991,031</u>

### *Financial Instruments Subject to Credit Risk*

The Organization has three types of financial instruments subject to credit risk. The Organization maintains bank accounts in which the balances sometimes exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. At March 31, 2024 and 2023, there were cash balances in excess of FDIC limits at the bank of approximately \$11,150,000 and \$8,960,000, respectively.

Receivables also subject the Organization to credit risk.

The Organization invests in a professionally managed portfolio that contains exchange traded funds, mutual funds, fixed income funds, and common stock. Such investments are exposed to various risks such as credit and market. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### **Marketable Securities**

Marketable securities are stated at fair value in the statements of financial position (see Note 3); securities traded on a national securities exchange are valued at quoted market prices. Changes in net unrealized holding gains and losses, realized gains and losses, and interest and dividends are included in the statements of activities and changes in net assets and result in increases or decreases to net assets without donor restrictions unless their use is temporarily restricted to a specified purpose or future period. Realized gains and losses are determined by specifically identifying the marketable security sold. Interest and dividends are recorded as earned.

### **Inventories**

Inventories consist of donated items and are stated at fair value at the date of donation.

### **Property and Equipment**

Property and equipment are recorded at cost or, in the case of donated property and equipment, at estimated fair value when received. Donations of property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are expensed as incurred. The costs of assets disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property and equipment disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	3-40
Furniture and Equipment	3-10
Vehicles	3-5

Construction in progress is recorded at cost, and no depreciation is recorded until the related assets are placed into service.

### **Operating Lease Right-of-Use Assets and Operating Lease Liabilities**

The Organization follows Accounting Standards Update 2016-02, *Leases (Topic 842)* (“ASU 2016-02”) which established a right-of-use (ROU) model that requires a lessee to recognize ROU assets and lease liabilities on the accompanying statements of financial position. The Organization has elected the practical expedient to utilize the risk-free rate in determining the present value of lease payments unless the implicit rate is readily determinable. The Organization has elected the short-term lease practical expedient to exclude leases with terms of 12 months or less from recognition on the accompanying statements of financial position.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### ***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment existed for the years ended March 31, 2024 and 2023.

### ***Revenue Recognition***

The Organization follows Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). Accordingly, the Organization's policy for revenue recognition is defined below.

#### Contributions

Contributions (including bequests and memorials) that do not meet the definition of an exchange transaction in accordance with ASU 2014-09 are accounted for under the guidance in Accounting Standards Codification 958 "Not-for-Profit Entities." Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the barriers for recognition in the agreement are fully overcome and there is no longer a right of return related to the contributed assets. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions unless the restrictions expire in the fiscal year in which the contributions are recognized, in which case, the contributions are reported as increases in net assets without donor restrictions. If the restriction does not expire in the fiscal year in which the contributions are recognized, amounts are released from net assets with donor restrictions and reclassified to net assets without donor restriction when the restriction expires. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

#### In-Kind Contributed Services

In-kind contributions of services are recognized as contribution support at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. The fair value is determined to be the amount the Organization would have otherwise paid for the service. Contribution support recognized from contributed services consisted of professional services provided by doctors, other professionals, media outlets, and advertising outlets totaling \$263,843 and \$195,667 for the years ended March 31, 2024 and 2023, respectively which are included as in-kind contributions and program expenses.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### In-Kind Contributions of Goods

In addition to receiving cash contributions, the Organization receives in-kind contributions of food, clothing, furniture, toys, pharmaceuticals, personal care items, and other items from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an increase in contribution support when the items are received and as an expense when the items are distributed to those in need or used in the Organization's operations. The fair value of items is based on a recent cost study performed by the Denver Rescue Mission. The Organization did not monetize any in-kind contributions of goods and unless otherwise noted, in-kind contributions of goods did not have donor restrictions.

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

The costs of providing the various programs and supporting services of the Organization have been summarized on a functional basis in the statements of activities and changes in net assets. Costs are allocated to each functional expense category based on the specific departments benefitted by the expense. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, food and kitchen and others. Occupancy expenses are allocated to the different functional expense categories based on the square footage within which each program operates. Food and kitchen expenses are allocated based on the number of meals each program serves. Salaries and related expenses for certain individuals performing tasks in multiple functional expense categories are allocated based on estimates of time and effort.

### ***Income Taxes***

The Organization has qualified under Internal Revenue Code Section 501(c)(3) for Federal income tax purposes as a tax-exempt organization other than a private foundation.

The Organization follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10 related to uncertain income tax positions. Management believes there are no uncertain income tax positions taken which would require the Organization to reflect a liability for unrecognized tax benefits on the accompanying statements of financial position.

The Organization is no longer subject to income tax examinations by Federal, state, or local tax authorities for years before March 31, 2021.

### ***Reclassifications***

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 presentation.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### *Subsequent Events*

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through August 1, 2024, noting no items requiring disclosure.

### 2. Liquidity and Cash Management

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The following reflects the Organization's financial assets as of March 31, 2024 and 2023, respectively, reduced by amounts not available for general use within one year of the date of the statement of financial position because of contractual or donor-imposed restrictions.

	<u>2024</u>	<u>2023</u>
Financial Assets at March 31,	\$ 18,360,400	\$ 15,733,185
Less Amounts Unavailable for General Expenditures Within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	(172,674)	(215,323)
Other Current Assets	(1,875)	(4,590)
Inventories	(802,487)	(873,276)
Prepaid Expenses	(100,234)	(87,801)
Restricted Cash	(627,514)	(585,911)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 16,655,616</u>	<u>\$ 13,966,284</u>

The Organization manages its liquid resources by structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in commercial money market instruments. In the event of unanticipated liabilities, the Organization could draw upon its \$500,000 and \$1,000,000 lines of credit (see Note 5). In order to receive a more preferential interest rate on the \$1,000,000 line of credit, the Organization agreed to maintain a money market account with the bank as additional collateral for the loan, which is included in restricted cash. In the event of unanticipated liabilities, the Organization could utilize these funds.

### 3. Fair Value Measurements

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FASB Codification Topic 820-10 on Fair Value Measurements (FASB 820-10) establishes a framework for measuring fair value and provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values giving the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

# Open Door Mission

## Notes to Financial Statements

### March 31, 2024 and 2023

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Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices available in active markets that are accessible at the measurement date for identical assets or liabilities. This level primarily consists of financial instruments such as exchange-traded securities.

Level 2 – Pricing inputs include quoted prices for identical or similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs reflect management’s best estimates of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value at March 31, 2024 and 2023.

Exchange Traded, Mutual Funds, Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income Funds: Valued at the closing price reported on the active market for similar assets.

The following table presents by level, within the fair value hierarchy, the Organization’s marketable securities at fair value as of March 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds				
Equity Funds	\$ 2,397,762	\$ -	\$ -	\$ 2,397,762
Fixed Income Funds				
Corporate Bonds	-	2,519,864	-	2,519,864
Mutual Funds				
Fixed Income Funds	252,705	-	-	252,705
Common Stock	3,705,305	-	-	3,705,305
Total Marketable Securities at Fair Value	<u>\$ 6,355,772</u>	<u>\$ 2,519,864</u>	<u>\$ -</u>	<u>\$ 8,875,636</u>

# Open Door Mission

## Notes to Financial Statements

### March 31, 2024 and 2023

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The following table presents by level, within the fair value hierarchy, the Organization's marketable securities at fair value as of March 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds				
Equity Funds	\$ 1,375,629	\$ -	\$ -	\$ 1,375,629
Fixed Income Funds				
Corporate Bonds		1,210,315	-	1,210,315
Mutual Funds				
Fixed Income Funds	248,514	-	-	248,514
Common Stock	1,942,029	-	-	1,942,029
Total Marketable Securities at Fair Value	<u>\$ 3,566,172</u>	<u>\$ 1,210,315</u>	<u>\$ -</u>	<u>\$ 4,776,487</u>

#### 4. Leases

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The Organization only has operating leases. The Organization leases its various facilities and certain equipment through operating leases with noncancelable terms ending at various dates through December 31, 2030. Certain of the leases in place at March 31, 2024 and 2023 are with related parties HTH LLC, RL LLC, and GTMC, LLC (see Note 10). There are no renewal options within the terms of the leases. Nonlease components include maintenance expenses and other rent related operating expenses of a facility being leased. The nonlease components have not been included in the calculation of the right-of-use assets and lease liabilities.

For the years ended March 31, total lease cost and other information included in the calculation of the operating lease right-of-use assets and operating lease liabilities consisted of the following:

	<u>2024</u>	<u>2023</u>
<b><u>Lease Cost</u></b>		
Operating Lease Cost:		
Amortization of Right-of-Use Assets	\$ 468,106	\$ 457,201
Interest on Lease Liabilities	55,458	66,297
Operating Lease Expense	25,627	36,581
Total Lease Cost	<u>\$ 549,191</u>	<u>\$ 560,079</u>

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### Other Information

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:

Operating Cash Flows from Operating Leases	\$	500,899	\$	486,917
Operating Lease Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities		-		2,907,821
Weighted-Average Remaining Lease Term (Years) - Operating Leases		4.8		5.6
Weighted-Average Discount Rate - Operating Leases		2.47%		2.47%

Future minimum lease payments under these leases, excluding taxes, common area maintenance and other related operating expenses, for the years ending after March 31, 2024 and their reconciliation to the operating lease liabilities included in the accompanying financial statements are as follows:

<u>Year Ending March 31,</u>	<u>Operating Leases</u>
2025	\$ 368,067
2026	505,478
2027	520,643
2028	246,602
2029	169,333
Thereafter	<u>354,059</u>
Total Future Lease Payments	2,164,182
Less: Discount to Present Value	<u>(125,889)</u>
Total Lease Liabilities	2,038,293
Less: Current Portion	(450,245)
Lease Liabilities, Less Current Portion	<u>\$ 1,588,048</u>

Lease expenses with related parties (see Note 10) was approximately \$506,000 and \$503,000 for the years ended March 31, 2024 and 2023, respectively.



# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### 5. Financing Arrangements

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The Organization's financing arrangements consist of \$500,000 and \$1,000,000 revolving lines of credit with a bank. These lines are secured by substantially all assets of the Organization. The lines of credit bear interest at the bank's money market account rate plus 2.50% (the bank's money market account rate was 3.95% at March 31, 2024), subject to a floor of 3.50%, and at the Wall Street Journal Prime rate plus 0.75% (8.50%), respectively, and are due September 1, 2024. As of March 31, 2024 and 2023, there were no balances outstanding on these lines of credit.

### 6. Long-Term Debt

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Long-term debt at March 31 consists of the following:

	<u>2024</u>	<u>2023</u>
Subsidy payable to a bank with a retention period of 15 years. If the Organization maintains a minimum of 42% occupancy with disabled individuals over a 15-year period in the Garland Thompson Men's Center (through 2026), the subsidy will be forgiven. The disabled individuals must also meet certain low income thresholds.	\$ 450,000	\$ 450,000
Less Current Portion	-	-
Long-Term Debt, Less Current Portion	<u>\$ 450,000</u>	<u>\$ 450,000</u>

The aggregate maturities of long-term debt for years ending after March 31, 2024 are as follows:

<u>Year Ending March 31,</u>	
2026	\$ 450,000

### 7. Non-Cash Contributions

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In-kind contributions of goods and services at March 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Clothing & Shoes	\$ 4,892,130	\$ 4,778,168
Food	4,368,841	4,521,177
Household Items	4,259,826	4,326,925
Personal Care	704,443	1,301,999
Toys and Sporting Goods	1,437,028	1,016,075
Media	208,213	135,594
Professional Services	55,630	60,073
Land	-	240,097
	<u>\$ 15,926,111</u>	<u>\$ 16,380,108</u>

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# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

### 8. Restrictions and Limitations on Net Asset Balances

Net assets with donor restrictions that are temporary in nature and their related changes as of and for the year ended March 31, 2024 consists of the following:

	<u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>2024</u>
5k Run Sponsor	\$ -	\$ 20,000	\$ -	\$ 20,000
Adopt A Guest	17,344	14,870	(32,214)	-
Adopt A Student	300	800	(1,100)	-
Asthma Supplies - Clinic	-	5,000	-	5,000
Baby Shower	5,706	8,029	(5,699)	8,036
Beat the Heat Program	3,793	23,577	(27,370)	-
Coat Drive	100	-	(100)	-
Diaper Drive	12,693	2,385	(14,531)	547
Dock	90,000	-	(90,000)	-
Donor-Restricted Endowment Fund Earnings	-	159,381	-	159,381
Health Insurance Trust Account	31,704	919,648	(899,385)	51,967
Housing Problem Solving/Rent	9,072	-	(5,756)	3,316
Ice Maker	360	-	(360)	-
Lydia House Building Construction by HTH of the Metro, LLC (in Other Current Assets)	4,590	-	(2,715)	1,875
Lydia House - Hygiene Products	220	250	(470)	-
Lydia House - ID Cards and Birth Certificates	658	-	(280)	378
Lydia House - Playground	-	61,000	-	61,000
Men's Ministry Life Recovery Bibles	1,500	8,905	(3,073)	7,332
Mustard Seed Program	5,385	-	(4,750)	635
New Underwear	30	-	(30)	-
Patient Urinalysis Medication	-	1,838	(929)	909
Plastic Gaylords	280	11,638	(11,918)	-
Popcorn Machine	-	670	-	670
Project Santa	-	3,780	(1,595)	2,185
Turkey N Fixins	18,405	28,738	(47,143)	-
Volunteer/Student Clinic Insurance	1,534	-	(105)	1,429
Water Drive	11,649	3,372	(7,626)	7,395
	<u>\$ 215,323</u>	<u>\$1,273,881</u>	<u>\$ (1,157,149)</u>	<u>\$ 332,055</u>

Net assets with donor restrictions that are perpetual in nature at March 31, 2024 consist of the following:

	<u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>2024</u>
Donor-Restricted Endowment Fund	\$ -	\$1,724,900	\$ -	\$1,724,900
Total Net Assets with Donor Restrictions	<u>\$ 215,323</u>	<u>\$2,998,781</u>	<u>\$ (1,157,149)</u>	<u>\$ 2,056,955</u>

# Open Door Mission

## Notes to Financial Statements

### March 31, 2024 and 2023

Net assets with donor restrictions that are temporary in nature and their related changes as of and for the year ended March 31, 2023 consists of the following:

	<u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>2023</u>
Adopt A Guest	\$ -	\$ 17,675	\$ (331)	\$ 17,344
A Metro, LLC (in Other Current Assets)	-	300	-	300
Baby Shower	1,324	6,842	(2,460)	5,706
Beat the Heat Program	8,592	-	(4,799)	3,793
Coat Drive	100	-	-	100
Dental Equipment/Care	4,047	300	(4,347)	-
Diaper Drive	6,155	6,538	-	12,693
Dock	-	90,000	-	90,000
Fleet Pride Renovations	202,603	200,000	(402,603)	-
Food Delivery Truck	1,800	1,440	(3,240)	-
Health Insurance Trust Account	37,427	555,085	(560,808)	31,704
Housing Problem Solving/Rent	6,870	27,000	(24,798)	9,072
Ice Maker	-	5,504	(5,144)	360
Lydia House Building Construction by HTH of the Metro, LLC (in Other Current Assets)	4,815	-	(225)	4,590
Lydia House - Hygiene Products	-	220	-	220
Lydia House - ID Cards and Birth Certificates	-	658	-	658
Men's Ministry Life Recovery Bibles	-	1,500	-	1,500
Mustard Seed Program	7,385	-	(2,000)	5,385
New Underwear	-	30	-	30
Plastic Gaylords	-	52,180	(51,900)	280
Turkey N Fixins	-	49,699	(31,294)	18,405
Volunteer/Student Clinic Insurance	1,534	-	-	1,534
Water Drive	9,198	3,299	(848)	11,649
	<u>\$ 291,850</u>	<u>\$ 1,018,270</u>	<u>\$(1,094,797)</u>	<u>\$ 215,323</u>

### 9. Retirement Plan

The Organization has a safe harbor 401(k) plan that provides for the Organization to contribute a dollar for dollar matching contribution up to 4% of each participant's eligible compensation. Eligible employees were those who have over a year of service (worked more than 1,000 hours a year) and have attained the age of twenty and one half. The participants are allowed to make pre-tax and Roth after-tax deferred contributions, through salary reduction, to the plan.

Contributions of \$230,261 and \$204,784 were made for the years ended March 31, 2024 and 2023, respectively.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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### 10. Related Parties

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The Organization is related to Help The Homeless Inc., (HTH) a Nebraska non-profit corporation qualified under the Internal Revenue Code as a 501(c)(3). The HTH Board of Directors is the same as the Organization. HTH has formed a Nebraska Limited Liability Company, Help The Homeless of the Metro Limited Liability Company (HTH LLC), in which HTH serves as the Managing Member and currently has a minority equity position.

In the year ended March 31, 2024, the Organization completed the fourteenth year of a 17-year lease agreement with HTH LLC to operate its building as a qualified low income housing project. The lease agreement requires the Organization to pay normal rent and all operating expenses and maintenance costs for the building during the lease period. The Organization has guaranteed all HTH obligations and operates the property as a qualified low income housing project.

As of March 31, 2024 and 2023, the Organization holds an unsecured promissory note receivable in the amount of \$2,368,321 from HTH LLC for cash advances provided in constructing the Lydia House. This note calls for interest-only payments at 3% compounded through April 2027, at which time all unpaid principal and interest is due.

During years ended March 31, 2024 and 2023, as Managing Member of HTH LLC, HTH has operated the Lydia House building as “qualified low income housing project” in adherence with the rules and regulation set forth in Section 42 of the Internal Revenue Code.

HTH formed a Nebraska Limited Liability Company, Rebuilding Lives, L.L.C. (RL LLC) in which HTH serves as the Managing Member and currently has a minority equity position. On July 29, 2011, the Organization loaned HTH \$100,000, which is memorialized by an unsecured promissory note for said amount calling for interest-only payments at 3% compounded through July 29, 2028, at which time all unpaid principal and interest is due. As Managing Member of RL LLC, HTH agreed to operate its building as a “qualified low income housing project” in adherence with the rules and regulations set forth in Section 42 of the Internal Revenue Code for a period of no less than 15 years. The Organization had advances due from RL LLC of \$100,000 as of March 31, 2024 and 2023.

The Organization entered into a 17-year lease agreement with RL, LLC to operate the building as a qualified low income housing project. The lease agreement requires the Organization to pay normal rent and all operating expenses and maintenance costs for the building during the lease period. The Organization has guaranteed all HTH obligations and all the obligations of operating it as a qualified low income housing project.

Help the Homeless, Inc. has formed a Nebraska Limited Liability Company, GTMC, LLC, in which HTH serves as the Managing Member and currently has a minority equity position. GTMC, LLC constructed a three-story building that provides 96 single resident occupant units for transitional and permanent supportive housing for men. The total construction cost at completion was \$5,847,541 as of March 31, 2013. The Organization has made advances of \$335,253 as of March 31, 2024 and 2023 to GTMC, LLC. These advances are accruing interest at 3% compounded through to repayment.

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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During the year ended March 31, 2013, the Organization entered into a 17-year lease agreement with GTMC, LLC to operate the building as a qualified low income housing project. The lease agreement requires the Organization to pay normal rent and all operating expenses and maintenance costs for the building during the lease period.

### 11. Commitments and Contingencies

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#### Employment Agreement

The Organization has entered into an employment agreement with a member of management. This agreement provides for a minimum annual salary with adjustments available to reflect changes in the cost of living. In addition, they provide for bonus payments and the terms of future termination of employment.

#### Self-Insured Health Insurance

The Organization is self-insured under its employee group health insurance program. In connection therewith, excess loss insurance coverage is maintained by the Organization.

### 12. Endowment Fund

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The Organization's endowment fund consists of both funds with donor restrictions and funds without donor restrictions functioning as an endowment through designation by the Board of Directors. The earnings of the endowment fund support the annual operating needs of the Organization as determined by the Board of Directors. Net assets associated with endowment funds, including funds designated by the Board of Directors, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. The Board of Directors has interpreted NUPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted NUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with NUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment fund
3. The general economic conditions

# Open Door Mission

## Notes to Financial Statements

March 31, 2024 and 2023

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4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. The investment policies of the Organization

Endowment fund net assets at March 31, 2024 include funds without donor restrictions functioning as an endowment totaling \$1,338,057 and funds with donor restrictions totaling \$1,884,281, which consist of \$1,724,900 in funds required to be held in perpetuity and \$159,381 in accumulated investment earnings subject to appropriation by the Board of Directors. During 2024, the endowment fund net assets changed as follows:

	<u>Without</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ -	\$ -	\$ -
Contributions	1,224,878	1,724,900	2,949,778
Investment Return			
Interest and Dividends, Net	24,563	34,590	59,153
Net Realized Gain	14,710	20,715	35,425
Change in Net Unrealized Holding Gain	73,906	104,076	177,982
Total Investment Return	113,179	159,381	272,560
Other Changes			
Amounts Approved for Expenditure	-	-	-
Endowment Net Assets, End of Year	<u>\$ 1,338,057</u>	<u>\$ 1,884,281</u>	<u>\$ 3,222,338</u>

The Organization has adopted investment and spending policies for the funds functioning as endowments that attempt to provide a stream of funding to support the annual operating needs of the Organization while seeking to maintain the purchasing power of the endowment assets. The policies and objectives are to preserve and increase the real principal value of the endowment fund over the long term, generate sufficient capital through interest, dividends and capital appreciation to fulfill the annual operating needs of the Organization, maintain prudent asset class diversification and prudent diversification within selected asset classes, and increase the value of the endowment at a rate greater than inflation.

To satisfy its long-term rate of return objective, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places more emphasis on equity securities, mutual funds, and fixed-income funds to achieve its long-term objectives. The Organization has adopted a policy to spend no more than 3% of the endowment assets during the year. This rate is determined and adjusted from time to time by the Board of Directors.

**Lutz**