

# **Open Door Mission**

**Financial Statements and  
Independent Auditors' Report**

**March 31, 2018 and 2017**



# Open Door Mission

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Open Door Mission  
Omaha, Nebraska

### Report on the Financial Statements

We have audited the accompanying financial statements of Open Door Mission which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended and the related notes to the financial statements.

### Management's Responsibility 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; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Door Mission as of March 31, 2018 and 2017, 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.

*Lutz & Company, P.C.*

July 17, 2018

# Open Door Mission

## Statements of Financial Position

March 31, 2018 and 2017

<b>ASSETS</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents, Unrestricted	\$ 920,640	\$ 1,224,535
Cash and Cash Equivalents, Restricted	42,799	53,435
Receivables		
Contributions, Less Allowance for Doubtful Receivables of \$43,525 and \$39,943, Respectively	567,371	245,062
Contributions, Related Party	-	300
Other	36,774	24,533
Inventories	867,274	777,745
Prepaid Expenses	77,152	77,051
Other Current Assets	9,540	16,992
<b>Total Current Assets</b>	<b>2,521,550</b>	<b>2,419,653</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,046,246	1,046,246
Buildings and Improvements	7,179,690	7,160,973
Furniture and Equipment	814,815	618,241
Vehicles	636,154	602,159
<b>Total Cost</b>	<b>9,676,905</b>	<b>9,427,619</b>
Less Accumulated Depreciation	2,920,237	2,583,874
<b>Net Book Value</b>	<b>6,756,668</b>	<b>6,843,745</b>
<b>OTHER ASSETS</b>		
Accrued Interest Receivable, Related Party	713,117	610,689
Notes Receivable, Related Party	2,368,321	2,368,321
Advances to Affiliates	435,253	435,253
Deposits	3,030	18,266
<b>Total Other Assets</b>	<b>3,519,721</b>	<b>3,432,529</b>
<b>TOTAL ASSETS</b>	<b>\$ 12,797,939</b>	<b>\$ 12,695,927</b>

See Notes to Financial Statements.

# Open Door Mission

## Statements of Financial Position

March 31, 2018 and 2017

<b>LIABILITIES</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	\$ 46,278	\$ 134,117
Current Maturities of Deferred Compensation	12,000	12,000
Accounts Payable	217,839	234,112
Accrued Compensation and Other Accrued Expenses	383,468	356,655
<b>Total Current Liabilities</b>	<b>659,585</b>	<b>736,884</b>
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Less Current Maturities	750,466	796,750
Deferred Compensation Payable, Less Current Maturities	21,231	33,231
Other Long-Term Liabilities	33,835	34,215
<b>Total Long-Term Liabilities</b>	<b>805,532</b>	<b>864,196</b>
<b>Total Liabilities</b>	<b>1,465,117</b>	<b>1,601,080</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Unrestricted	11,250,875	10,968,813
Temporarily Restricted	81,947	121,925
Permanently Restricted	-	4,109
<b>Total Net Assets</b>	<b>11,332,822</b>	<b>11,094,847</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,797,939</b>	<b>\$ 12,695,927</b>

See Notes to Financial Statements.

# Open Door Mission

## Statements of Activities and Changes in Net Assets

Year Ended March 31, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT</b>				
Contributions	\$ 6,982,889	\$ 353,806	\$ -	\$ 7,336,695
Non-Cash Contributions	21,470,955	-	-	21,470,955
Bequests and Memorials	281,624	-	-	281,624
Total Support	28,735,468	353,806	-	29,089,274
<b>REVENUE</b>				
Interest and Dividends	106,466	-	-	106,466
Net Realized Loss on Sale of Marketable Securities	47	-	-	47
Rental Income	431,543	-	-	431,543
Miscellaneous	262,314	-	-	262,314
Total Revenue	800,370	-	-	800,370
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of Program Restrictions	397,893	(393,784)	(4,109)	-
<b>TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>29,933,731</b>	<b>(39,978)</b>	<b>(4,109)</b>	<b>29,889,644</b>
<b>EXPENSES</b>				
Program Services				
Lydia House - Women and Children's Emergency Services	4,651,779	-	-	4,651,779
Lydia House - Women and Children's Recovery Services	2,220,749	-	-	2,220,749
Open Door Mission - Men's Emergency Services	4,286,312	-	-	4,286,312
Open Door Mission - Men's Recovery Services	2,335,834	-	-	2,335,834
Public Services	11,206,678	-	-	11,206,678
Public Education	123,840	-	-	123,840
Spiritual Support Ministries	22,100	-	-	22,100
Permanent Supportive Housing	1,864,143	-	-	1,864,143
Total Program Expenses	\$ 26,711,435	\$ -	\$ -	\$ 26,711,435

See Notes to Financial Statements.

## Open Door Mission

### Statements of Activities and Changes in Net Assets

Year Ended March 31, 2018

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Supporting Services				
General and Administrative	\$ 1,262,740	\$ -	\$ -	\$ 1,262,740
Fundraising	1,677,494	-	-	1,677,494
Total Supporting Services Expenses	2,940,234	-	-	2,940,234
Total Expenses	29,651,669	-	-	29,651,669
<b>Increase (Decrease) in Net Assets</b>	282,062	(39,978)	(4,109)	237,975
Net Assets, Beginning of Year	10,968,813	121,925	4,109	11,094,847
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 11,250,875</b>	<b>\$ 81,947</b>	<b>\$ -</b>	<b>\$ 11,332,822</b>

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See Notes to Financial Statements.

# Open Door Mission

## Statements of Activities and Changes in Net Assets

Year Ended March 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT</b>				
Contributions	\$ 7,109,153	\$ 402,994	\$ -	\$ 7,512,147
Non-Cash Contributions	26,022,674	-	-	26,022,674
Bequests and Memorials	419,467	-	-	419,467
<b>Total Support</b>	<b>33,551,294</b>	<b>402,994</b>	<b>-</b>	<b>33,954,288</b>
<b>REVENUE</b>				
Interest and Dividends	103,844	-	-	103,844
Net Realized Loss on Sale of Marketable Securities	(82,133)	-	-	(82,133)
Net Unrealized Gain on Marketable Securities	86,249	-	-	86,249
Rental Income	470,484	-	-	470,484
Miscellaneous	198,649	-	-	198,649
<b>Total Revenue</b>	<b>777,093</b>	<b>-</b>	<b>-</b>	<b>777,093</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of Program Restrictions	398,122	(398,122)	-	-
<b>TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>34,726,509</b>	<b>4,872</b>	<b>-</b>	<b>34,731,381</b>
<b>EXPENSES</b>				
Program Services				
Lydia House - Women and Children's Emergency Services	5,978,331	-	-	5,978,331
Lydia House - Women and Children's Recovery Services	1,799,389	-	-	1,799,389
Open Door Mission - Men's Emergency Services	4,763,324	-	-	4,763,324
Open Door Mission - Men's Recovery Services	2,109,196	-	-	2,109,196
Public Services	14,498,160	-	-	14,498,160
Public Education	122,872	-	-	122,872
Spiritual Support Ministries	23,208	-	-	23,208
Permanent Supportive Housing	2,081,054	-	-	2,081,054
<b>Total Program Expenses</b>	<b>\$ 31,375,534</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,375,534</b>

See Notes to Financial Statements.



# Open Door Mission

## Statements of Activities and Changes in Net Assets

Year Ended March 31, 2017

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Supporting Services				
General and Administrative	\$ 1,280,006	\$ -	\$ -	\$ 1,280,006
Fundraising	1,894,255	-	-	1,894,255
<hr/> Total Supporting Services				
Expenses	3,174,261	-	-	3,174,261
<hr/> Total Expenses	<hr/> 34,549,795	<hr/> -	<hr/> -	<hr/> 34,549,795
 <b>Increase in Net Assets</b>	 176,714	 4,872	 -	 181,586
 Net Assets, Beginning of Year	 10,792,099	 117,053	 4,109	 10,913,261
<hr/> <b>NET ASSETS, END OF YEAR</b>	<hr/> <b>\$ 10,968,813</b>	<hr/> <b>\$ 121,925</b>	<hr/> <b>\$ 4,109</b>	<hr/> <b>\$ 11,094,847</b>

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See Notes to Financial Statements.

# Open Door Mission

## Statements of Cash Flows

Years Ended March 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 237,975	\$ 181,586
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	373,336	391,250
Net Realized Loss (Gain) on Sale of Marketable Securities	(47)	82,133
Net Unrealized Gain on Marketable Securities	-	(86,249)
Contributions of Marketable Securities	(101,939)	(89,452)
Increase in Accrued Interest Receivable, Related Party	(102,428)	(99,445)
Loss on Sale of Property and Equipment	6,617	-
Decrease (Increase) in Current Assets:		
Contributions Receivable	(322,009)	(29,172)
Other Receivables	(12,241)	38,797
Inventories	(89,529)	(166,479)
Prepaid Expenses	(101)	(27,174)
Other Current Assets	7,452	-
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(16,273)	(86,637)
Accrued Compensation and Other Accrued Expenses	26,813	50,543
Other Long-Term Liabilities	(380)	512
Net Cash Provided by Operating Activities	7,246	160,213
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Marketable Securities	101,986	924,028
Purchase of Marketable Securities	-	(3,803)
Proceeds from Sale of Property and Equipment	13,952	-
Purchase of Property and Equipment	(306,828)	(14,691)
Decrease (Increase) in Restricted Cash	10,636	(15,567)
Decrease in Deposits	15,236	543
Net Cash Provided by (Used in) Investing Activities	(165,018)	890,510
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of Long-Term Debt	(134,123)	(132,044)
Payments on Deferred Compensation	(12,000)	(12,000)
Net Cash Used in Financing Activities	(146,123)	(144,044)
Net Increase (Decrease) in Unrestricted Cash	(303,895)	906,679
Unrestricted Cash, Beginning of Year	1,224,535	317,856
<b>Unrestricted Cash, End of Year</b>	<b>\$ 920,640</b>	<b>\$ 1,224,535</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 42,741	\$ 46,037

See Notes to Financial Statements.

## Open Door Mission

### Statements of Functional Expenses – Program Services

Year Ended March 31, 2018

	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	\$ 3,460,523	\$ 1,430,173	\$ 2,884,531	\$ 1,718,217	\$ 7,926,875	\$ 123,840	\$ 22,100	\$ 1,091,181	\$18,657,440
Salaries, Payroll Taxes and Related Benefits	491,275	443,408	760,569	285,019	722,219	-	-	301,634	3,004,124
Telephone	1,071	1,847	4,626	1,524	6,817	-	-	6,858	22,743
Occupancy, Including Depreciation	248,391	163,312	243,026	111,752	392,588	-	-	317,332	1,476,401
Printing, Postage and Office Supplies	3,980	3,508	5,925	2,350	4,531	-	-	3,734	24,028
Travel and Conferences	612	639	1,361	412	1,816	-	-	738	5,578
Technology Support	2,787	1,858	1,858	2,787	3,662	-	-	1,858	14,810
Food and Kitchen	440,947	174,203	368,997	213,217	2,096,976	-	-	139,978	3,434,318
Vehicle Expenses	2,193	1,801	15,419	556	51,194	-	-	830	71,993
<b>Total</b>	<b>\$ 4,651,779</b>	<b>\$ 2,220,749</b>	<b>\$ 4,286,312</b>	<b>\$ 2,335,834</b>	<b>\$ 11,206,678</b>	<b>\$ 123,840</b>	<b>\$ 22,100</b>	<b>\$ 1,864,143</b>	<b>\$26,711,435</b>

See Notes to Financial Statements.

## Open Door Mission

### Statements of Functional Expenses – Program Services

Year Ended March 31, 2017

	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	\$ 4,508,231	\$ 1,058,987	\$ 3,313,183	\$ 1,478,565	\$ 10,907,211	\$ 122,872	\$ 23,208	\$ 1,301,798	\$22,714,055
Salaries, Payroll Taxes and Related Benefits	547,256	428,901	704,815	289,602	757,314	-	-	250,736	2,978,624
Telephone	939	1,673	4,464	1,898	6,539	-	-	6,597	22,110
Occupancy, Including Depreciation	239,655	158,666	227,456	119,417	406,205	-	-	321,438	1,472,837
Printing, Postage and Office Supplies	3,316	4,260	7,275	1,914	4,746	-	-	3,954	25,465
Dues and Subscriptions	38	38	88	38	-	-	-	-	202
Travel and Conferences	18	534	-	972	219	-	-	941	2,684
Technology Support	2,313	1,542	1,542	2,313	6,713	-	-	1,542	15,965
Food and Kitchen	674,706	142,583	493,420	213,953	2,364,547	-	-	193,401	4,082,610
Vehicle Expenses	1,859	2,205	11,081	524	44,666	-	-	647	60,982
<b>Total</b>	<b>\$ 5,978,331</b>	<b>\$ 1,799,389</b>	<b>\$ 4,763,324</b>	<b>\$ 2,109,196</b>	<b>\$ 14,498,160</b>	<b>\$ 122,872</b>	<b>\$ 23,208</b>	<b>\$ 2,081,054</b>	<b>\$31,375,534</b>

See Notes to Financial Statements.

## Open Door Mission

### Statements of Functional Expenses – Supporting Services

Year Ended March 31, 2018

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	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
General and Administrative	\$ 47,913	\$ -	\$ 47,913
Fundraising	-	903,412	903,412
Bank Charges	58,710	-	58,710
Salaries, Payroll Taxes, and Related Benefits	853,822	718,365	1,572,187
Interest Expense	42,741	-	42,741
Telephone	8,316	3,520	11,836
Occupancy, Including Depreciation	91,192	22,480	113,672
Printing, Postage and Office Supplies	17,484	20,169	37,653
Professional Fees	53,437	-	53,437
Dues and Subscriptions	14,004	2,024	16,028
Travel and Conferences	16,180	1,004	17,184
Technology Support	2,494	1,643	4,137
Vehicle Expenses	26,632	4,877	31,509
Miscellaneous	29,815	-	29,815
<b>Total</b>	<b>\$ 1,262,740</b>	<b>\$ 1,677,494</b>	<b>\$ 2,940,234</b>

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See Notes to Financial Statements.

## Open Door Mission

### Statements of Functional Expenses – Supporting Services

Year Ended March 31, 2017

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	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
General and Administrative	\$ 40,724	\$ -	\$ 40,724
Fundraising	-	1,066,721	1,066,721
Bank Charges	66,442	-	66,442
Salaries, Payroll Taxes, and Related Benefits	885,163	761,513	1,646,676
Interest Expense	46,037	-	46,037
Telephone	10,114	3,936	14,050
Occupancy, Including Depreciation	84,489	23,178	107,667
Printing, Postage and Office Supplies	15,781	25,830	41,611
Professional Fees	59,712	-	59,712
Dues and Subscriptions	14,228	865	15,093
Travel and Conferences	6,237	2,413	8,650
Technology Support	1,861	2,035	3,896
Vehicle Expenses	20,848	7,764	28,612
Miscellaneous	28,370	-	28,370
<b>Total</b>	<b>\$ 1,280,006</b>	<b>\$ 1,894,255</b>	<b>\$ 3,174,261</b>

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See Notes to Financial Statements.

# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

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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 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:

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

#### ***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.

# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

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

Cash equivalents consist of temporary cash investments in various interest bearing accounts. For purposes of the statements of cash flows, the Organization includes these amounts in cash and cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for the purposes of the statements of cash flows.

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

The Organization maintains separate cash accounts for deposits from donors that are restricted for certain purposes.

### ***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, 2018 and 2017, there were cash balances in excess of FDIC limits at the bank of approximately \$398,000 and \$761,000, respectively.

Receivables also subject the Organization to credit risk.

### ***Receivables***

Contributions receivables are carried at original pledged amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful receivables by regularly evaluating individual donor receivables and considering a donor's financial condition, collection history, and current economic conditions. Contributions receivables are written off when deemed uncollectible. Recoveries of contributions receivable previously written off are recorded when received. A contribution receivable is considered to be past due if any portion of the receivable balance is outstanding for more than twelve months. At March 31, 2018 and 2017, the Organization has recorded an allowance for doubtful receivables of \$43,525 and \$39,943, respectively.

### ***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 unrestricted contributions 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.

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# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

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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

### ***Contributions***

Contributions, including unconditional promises to give due in future periods, are recognized as revenues in the period the pledge is received. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in temporarily restricted or permanently restricted net assets unless the restrictions expire in the fiscal year in which the contributions are recognized, in which case, the contributions are reported as increases in unrestricted net assets. If the restriction does not expire in the fiscal year in which the contributions are recognized, amounts are released from temporarily restricted net assets and reclassified to unrestricted net assets with the restriction expires.

Contributions of services are recorded at estimated fair value of the services provided when received if such services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

Contributions of donated non-cash assets are recorded at estimated fair value when received.

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

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by the Organization's management.

### ***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, 2015.

# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

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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 July 17, 2018. See Note 4 for a description of a subsequent event.

### 2. Contributions Receivable

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Contributions receivable, net, at March 31, are expected to be collected as follows:

	<u>2018</u>	<u>2017</u>
Contributions Receivable	\$ 567,371	\$ 245,062
Less Current Portion	567,371	245,062
Long-Term Contributions Receivable, Less Current Portion	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>
Contributions Receivables, Related Party	\$ -	\$ 300
Less Current Portion	-	300
Long-Term Contributions Receivable, Related Party, Less Current Portion	<u>\$ -</u>	<u>\$ -</u>

### 3. Money Market Funds and Marketable Securities

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During the year ended March 31, 2017, the Organization sold its investment portfolio. The Organization is now invested in money market funds only. The Organization accepts donations of marketable securities which are liquidated shortly after the donation is received with the proceeds invested in money market funds. These transactions result in realized gains (losses) on sales of marketable securities.

The following schedule summarizes the investment return on marketable securities and money market funds for the years ended March 31:

	<u>2018</u>	<u>2017</u>
Interest and Dividends	\$ 4,038	\$ 4,207
Net Realized Gain (Loss) on Sales	47	(82,133)
Change in Net Unrealized Holding Gain	-	86,249
	<u>\$ 4,085</u>	<u>\$ 8,323</u>

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# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

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### 4. Financing Arrangements

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The Organization's financing arrangements consist of \$500,000 and \$700,000 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 0.693% at March 31, 2018), subject to a floor of 3.50%, and at the Wall Street Journal Prime rate plus one percent (5.75%), respectively, and are due September 1, 2018. As of March 31, 2018 and 2017, there were no balances outstanding on these lines of credit. Subsequent to year-end, the Organization's \$700,000 revolving line of credit was amended to allow maximum borrowings of \$1,000,000.

### 5. Long-Term Debt

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

	<u>2018</u>	<u>2017</u>
Installment note payable to a bank, payable in monthly installments ranging from \$6,685 to \$6,754, including interest at 4.35%, through April 2018 at which time the remaining unpaid balance becomes due, collateralized by substantially all assets of the Organization.	\$ 2,924	\$ 81,956
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, the subsidy will be forgiven. The disabled individuals must also meet certain low income thresholds.	450,000	450,000
Installment note payable to a corporation owned by a related party/board member, payable in monthly installments from \$3,000 to \$3,200, including interest at 4%, through March 2022 at which time the remaining unpaid balance becomes due. The note is collateralized by the deed of trust for certain real property and was utilized to acquire a building from the related party/board	137,743	167,583

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## Open Door Mission

### Notes to Financial Statements

March 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
Installment note payable to a bank, payable in monthly installments of \$1,745, including interest at 4.25%, through December 2021 at which time the remaining unpaid balance becomes due, collateralized by the mortgage and deed of trust for certain real properties and the security agreement listing all business assets of the Organization.	\$ 206,077	\$ 217,856
Installment note payable to a bank, payable in monthly installments of \$1,517, including interest at 3.75%. This note was paid in full during 2018.	-	<u>13,472</u>
Total Long-Term Debt	796,744	930,867
Less Current Portion	<u>46,278</u>	<u>134,117</u>
Long-Term Debt, Less Current Portion	<u>\$ 750,466</u>	<u>\$ 796,750</u>

The aggregate maturities of long-term debt for years ending after March 31, 2018 are as follows:

<u>Year Ending March 31,</u>	
2019	\$ 46,278
2020	47,582
2021	217,144
2022	35,740
Thereafter	450,000
	<u>\$ 796,744</u>

#### 6. Deferred Compensation Payable

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The Organization has a deferred compensation agreement with a current employee of the Organization. The current employee will be paid \$60,000 in five equal installments of \$12,000 starting in January 2016. The present value of the deferred compensation arrangement was \$33,231 and \$45,231 at March 31, 2018 and 2017, respectively.

# Open Door Mission

## Notes to Financial Statements

March 31, 2018 and 2017

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets at March 31 consists of the following:

	<u>2017</u>	<u>Additions</u>	<u>Releases</u>	<u>2018</u>
Beat the Heat Program	\$ 16,923	\$ 785	\$ (2,759)	\$ 14,949
Health Insurance Trust Account	49,277	330,007	(336,486)	42,798
Lydia House Building Construction by HTH of the Metro, LLC (in Other Current Assets)	16,992	-	(7,452)	9,540
Lydia House Diaper Drive and Baby Formula	27,999	8,947	(30,212)	6,734
Medical Supplies for GTMC Medical Center	2,479	-	(2,479)	-
Rebuilding Lives Campaign and GTMC Construction	49	-	(49)	-
Snack Pack Program	3,914	-	(3,914)	-
Winter Wear	3,402	-	(2,990)	412
Linens, Clothes, Coats	890	307	(1,197)	-
2911 Program	-	7,760	(3,145)	4,615
Dental Equipment	-	1,000	-	1,000
Mustard Seed Program	-	5,000	(3,101)	1,899
	<u>\$ 121,925</u>	<u>\$ 353,806</u>	<u>\$ (393,784)</u>	<u>\$ 81,947</u>

	<u>2016</u>	<u>Additions</u>	<u>Releases</u>	<u>2017</u>
Beat the Heat Program	\$ 5,503	\$ 12,458	\$ (1,038)	\$ 16,923
Health Insurance Trust Account	32,711	362,419	(345,853)	49,277
Lydia House Building Construction by HTH of the Metro, LLC (in Other Current Assets)	16,992	-	-	16,992
Lydia House Diaper Drive and Baby Formula	15,536	14,497	(2,034)	27,999
Medical Supplies for GTMC Medical Center	6,021	10,000	(13,542)	2,479
Rebuilding Lives Campaign and GTMC Construction	1,049	1,120	(2,120)	49
Snack Pack Program	4,540	-	(626)	3,914
Tractor	4,434	-	(4,434)	-
Volunteer Department	26,865	-	(26,865)	-
Winter Wear	3,402	-	-	3,402
Linens, Clothes, Coats	-	2,500	(1,610)	890
	<u>\$ 117,053</u>	<u>\$ 402,994</u>	<u>\$ (398,122)</u>	<u>\$ 121,925</u>

### 8. Retirement Plan

The Organization has a safe harbor 401(k) plan that provides for the Organization to contribute dollar for dollar 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.

# Open Door Mission

## Notes to Financial Statements

### March 31, 2018 and 2017

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Contributions of \$133,716 and \$126,745 were made for the years ended March 31, 2018 and 2017, respectively.

#### 9. 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 fiscal year 2018, the Organization completed the eighth 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, 2018 and 2017, the Organization holds an unsecured promissory note receivable in the amount of \$2,368,321 from HTH LL C 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 fiscal years 2018 and 2017, 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, 2018 and 2017.

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, 2018 and 2017 to GTMC, LLC. These advances are accruing interest at 3% compounded through to repayment.

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# Open Door Mission

## Notes to Financial Statements

### March 31, 2018 and 2017

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In fiscal year 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.

In fiscal year 2014, the Organization purchased a \$250,000 property from a corporation owned by a related party/board member. A \$245,000 promissory note payable to the corporation owned by a related party/board member was entered into to finance the purchase (see Note 6).

### 10. Commitments and Contingencies

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#### Lease Obligations

The Organization has entered into various operating leases for office equipment and certain premises used by the Organization. Certain operating leases in place at March 31, 2018 are with related parties HTH LLC, RL LLC, and GTMC, LLC. The future minimum lease payments under these noncancelable operating leases as of March 31, 2018 are as follows:

<u>Year Ending March 31,</u>	
2019	\$ 570,685
2020	550,296
2021	555,903
2022	572,580
2023	589,758
Thereafter	<u>3,144,776</u>
	<u>\$ 5,983,998</u>

Lease expense under these operating leases was approximately \$557,000 and \$558,000 for the years ended March 31, 2018 and 2017, respectively.

#### Employment Agreements

The Organization has entered into employment agreements with two members of management. These agreements provide for minimum annual salaries 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.

#### Legal Proceedings

The Organization is party to legal proceedings arising in the ordinary course of its business. In the opinion of management and its legal counsel, disposition of these matters will not materially affect the Organization's financial position or the changes in its net assets.

#### 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.

**Lutz**