

# **Open Door Mission**

**Financial Statements and  
Independent Auditors' Report**

**March 31, 2023 and 2022**



# 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, 2023 and 2022, 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 (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, 2023 and 2022, and the results of its operations 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.

### Emphasis of Matter – New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update 2016-02, *Leases (Topic 842)*, issued by the Financial Accounting Standards Board (FASB), related to the accounting treatment for leases. Our opinion is not modified with respect to this matter.

### 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 for one year after June 20, 2023.

### **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 entity'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.*

June 20, 2023

# Open Door Mission

## Statements of Financial Position

March 31, 2023 and 2022

| <b>ASSETS</b>                              | <b><u>2023</u></b>   | <b><u>2022</u></b>   |
|--|----------------------|----------------------|
| <b>CURRENT ASSETS</b>                      |                      |                      |
| Cash and Cash Equivalents                  | \$ 9,959,327         | \$ 7,648,518         |
| Restricted Cash and Cash Equivalents       | 31,704               | 37,426               |
| Marketable Securities                      | 4,776,487            | 4,876,765            |
| Other Receivables                          | -                    | 82,399               |
| Inventories                                | 873,276              | 1,027,171            |
| Prepaid Expenses                           | 87,801               | 66,365               |
| Other Current Assets                       | 4,590                | 4,815                |
| Total Current Assets                       | 15,733,185           | 13,743,459           |
| <b>PROPERTY AND EQUIPMENT</b>              |                      |                      |
| Land                                       | 2,255,618            | 1,046,246            |
| Buildings and Improvements                 | 8,572,399            | 7,288,770            |
| Furniture and Equipment                    | 1,457,772            | 1,322,557            |
| Vehicles                                   | 653,472              | 731,438              |
| Total Cost                                 | 12,939,261           | 10,389,011           |
| Less Accumulated Depreciation              | 4,559,320            | 4,054,027            |
| Net Book Value                             | 8,379,941            | 6,334,984            |
| <b>OTHER ASSETS</b>                        |                      |                      |
| Accrued Interest Receivable, Related Party | 1,273,234            | 1,154,492            |
| Notes Receivable, Related Party            | 2,368,321            | 2,368,321            |
| Operating Lease Right-of-Use Assets        | 2,450,620            | -                    |
| Advances to Affiliates                     | 435,253              | 435,253              |
| Deposits                                   | 80                   | 80                   |
| Total Other Assets                         | 6,527,508            | 3,958,146            |
| <b>TOTAL ASSETS</b>                        | <b>\$ 30,640,634</b> | <b>\$ 24,036,589</b> |

See Notes to Financial Statements.

# Open Door Mission

## Statements of Financial Position

March 31, 2023 and 2022

| <b>LIABILITIES</b>                                | <b><u>2023</u></b>   | <b><u>2022</u></b>   |
|---|----------------------|----------------------|
| <b>CURRENT LIABILITIES</b>                        |                      |                      |
| Accounts Payable                                  | \$ 96,460            | \$ 110,006           |
| Accrued Compensation and Other Accrued Expenses   | 237,309              | 264,387              |
| Current Portion of Operating Lease Liabilities    | 445,434              | -                    |
| <b>Total Current Liabilities</b>                  | <b>779,203</b>       | <b>374,393</b>       |
| <b>LONG-TERM LIABILITIES</b>                      |                      |                      |
| Long-Term Debt, Less Current Maturities           | 450,000              | 450,000              |
| Other Long-Term Liabilities                       | 51,881               | 44,131               |
| Operating Lease Liabilities, Less Current Portion | 2,041,767            | -                    |
| <b>Total Long-Term Liabilities</b>                | <b>2,543,648</b>     | <b>494,131</b>       |
| <b>Total Liabilities</b>                          | <b>3,322,851</b>     | <b>868,524</b>       |
| <b>COMMITMENTS AND CONTINGENCIES</b>              |                      |                      |
| <b>NET ASSETS</b>                                 |                      |                      |
| Without Donor Restrictions                        | 27,102,460           | 22,876,215           |
| With Donor Restrictions                           | 215,323              | 291,850              |
| <b>Total Net Assets</b>                           | <b>27,317,783</b>    | <b>23,168,065</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>           | <b>\$ 30,640,634</b> | <b>\$ 24,036,589</b> |

See Notes to Financial Statements.

# Open Door Mission

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2023

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>  |
|---|---------------------------------------|------------------------------------|---------------|
| <b>SUPPORT</b>  |                                       |                                    |               |
| Contributions   | \$ 11,632,629                         | \$ 1,965,766                       | \$ 13,598,395 |
| Non-Cash Contributions  | 16,140,010                            | -                                  | 16,140,010    |
| Bequests and Memorials  | 121,313                               | -                                  | 121,313       |
| Total Support   | 27,893,952                            | 1,965,766                          | 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<br>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  | 2,042,293                             | (2,042,293)                        | -             |
| <b>TOTAL SUPPORT, REVENUE AND NET ASSETS<br/>RELEASED FROM RESTRICTIONS</b> |                                       |                                    |               |
|   | 30,848,338                            | (76,527)                           | 30,771,811    |
| <b>EXPENSES</b>   |                                       |                                    |               |
| Program Services  |                                       |                                    |               |
| Lydia House - Women and Children's<br>Emergency Services                    | 3,914,368                             | -                                  | 3,914,368     |
| Lydia House - Women and Children's<br>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<br/>Restrictions</u> | <u>With Donor<br/>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

## Statement of Activities and Changes in Net Assets

Year Ended March 31, 2022

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|---|---------------------------------------|------------------------------------|-------------------|
| <b>SUPPORT</b>  |                                       |                                    |                   |
| Contributions   | \$ 10,909,319                         | \$ 1,118,679                       | \$ 12,027,998     |
| Non-Cash Contributions  | 19,836,772                            | -                                  | 19,836,772        |
| Bequests and Memorials  | 1,345,250                             | -                                  | 1,345,250         |
| Total Support   | 32,091,341                            | 1,118,679                          | 33,210,020        |
| <b>REVENUE</b>  |                                       |                                    |                   |
| Interest and Dividends  | 277,960                               | -                                  | 277,960           |
| Net Realized Loss on Sale of Marketable Securities                          | (87,133)                              | -                                  | (87,133)          |
| Change in Net Unrealized Holding Gain<br>on Marketable Securities           | 114,671                               | -                                  | 114,671           |
| Rental Income   | 475,829                               | -                                  | 475,829           |
| Miscellaneous   | 385,390                               | -                                  | 385,390           |
| Total Revenue   | 1,166,717                             | -                                  | 1,166,717         |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS</b>                                |                                       |                                    |                   |
| Satisfaction of Program Restrictions  | 940,169                               | (940,169)                          | -                 |
| <b>TOTAL SUPPORT, REVENUE AND NET ASSETS<br/>RELEASED FROM RESTRICTIONS</b> | <b>34,198,227</b>                     | <b>178,510</b>                     | <b>34,376,737</b> |
| <b>EXPENSES</b>   |                                       |                                    |                   |
| Program Services  |                                       |                                    |                   |
| Lydia House - Women and Children's<br>Emergency Services                    | 3,794,588                             | -                                  | 3,794,588         |
| Lydia House - Women and Children's<br>Recovery Services                     | 1,303,288                             | -                                  | 1,303,288         |
| Open Door Mission - Men's Emergency Services                                | 3,765,252                             | -                                  | 3,765,252         |
| Open Door Mission - Men's Recovery Services                                 | 1,430,980                             | -                                  | 1,430,980         |
| Public Services   | 13,285,023                            | -                                  | 13,285,023        |
| Public Education  | 147,752                               | -                                  | 147,752           |
| Spiritual Support Ministries  | 32,396                                | -                                  | 32,396            |
| Permanent Supportive Housing  | 2,398,274                             | -                                  | 2,398,274         |
| Total Program Expenses  | \$ 26,157,553                         | \$ -                               | \$ 26,157,553     |

See Notes to Financial Statements.

## Open Door Mission

### Statement of Activities and Changes in Net Assets

Year Ended March 31, 2022

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|                                    | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
|------------------------------------|---------------------------------------|------------------------------------|----------------------|
| Supporting Services                |                                       |                                    |                      |
| General and Administrative         | \$ 1,094,946                          | \$ -                               | \$ 1,094,946         |
| Fundraising                        | 2,014,830                             | -                                  | 2,014,830            |
| Total Supporting Services Expenses | 3,109,776                             | -                                  | 3,109,776            |
| Total Expenses                     | 29,267,329                            | -                                  | 29,267,329           |
| <br>                               |                                       |                                    |                      |
| <b>Increase in Net Assets</b>      | 4,930,898                             | 178,510                            | 5,109,408            |
| <br>                               |                                       |                                    |                      |
| Net Assets, Beginning of Year      | 17,945,317                            | 113,340                            | 18,058,657           |
| <br>                               |                                       |                                    |                      |
| <b>NET ASSETS, END OF YEAR</b>     | <b>\$ 22,876,215</b>                  | <b>\$ 291,850</b>                  | <b>\$ 23,168,065</b> |

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See Notes to Financial Statements.

# Open Door Mission

## Statements of Cash Flows

Years Ended March 31, 2023 and 2022

|   | <u>2023</u>           | <u>2022</u>           |
|---|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                       |                       |
| Increase in Net Assets  | \$ 4,149,718          | \$ 5,109,408          |
| Adjustments to Reconcile Increase in Net Assets<br>to Net Cash Provided by Operating Activities |                       |                       |
| Depreciation  | 586,230               | 518,268               |
| Net Realized Loss on Sale of Marketable Securities  | 66,552                | 87,133                |
| Change in Net Unrealized Holding (Gain) Loss<br>On Marketable Securities                        | 154,706               | (114,671)             |
| Contributions of Marketable Securities  | (133,114)             | (154,735)             |
| Increase in Accrued Interest Receivable, Related Party  | (118,742)             | (115,283)             |
| Gain on Sale of Property and Equipment  | (6,125)               | (183,610)             |
| Lease Expense   | 36,581                | -                     |
| Decrease (Increase) in Operating Assets:  |                       |                       |
| Other Receivables   | 82,399                | (82,399)              |
| Inventories   | 153,895               | 107,500               |
| Prepaid Expenses  | (21,436)              | (8,828)               |
| Other Current Assets  | 225                   | 1,716                 |
| Increase (Decrease) in Operating Liabilities:   |                       |                       |
| Accounts Payable  | (13,546)              | (22,886)              |
| Accrued Compensation and Other Accrued Expenses   | (27,078)              | 39,548                |
| Other Long-Term Liabilities   | 7,750                 | 5,455                 |
| Net Cash Provided by Operating Activities   | <u>4,918,015</u>      | <u>5,186,616</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                       |                       |
| Proceeds from Sale of Marketable Securities   | 3,715,212             | 776,732               |
| Purchase of Marketable Securities   | (3,703,078)           | (5,440,981)           |
| Proceeds from Sale of Property and Equipment  | 8,106                 | 225,900               |
| Purchase of Property and Equipment  | (2,633,168)           | (498,870)             |
| Net Cash Used in Investing Activities   | <u>\$ (2,612,928)</u> | <u>\$ (4,937,219)</u> |

See Notes to Financial Statements.

# Open Door Mission

## Statements of Cash Flows

Years Ended March 31, 2023 and 2022

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                     |                     |
| Repayments of Long-Term Debt   | \$ -                | \$ (35,740)         |
| Net Cash Used in Financing Activities  | -                   | (35,740)            |
| Net Increase in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents       | 2,305,087           | 213,657             |
| Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning of Year    | 7,685,944           | 7,472,287           |
| <b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, End of Year</b>   | <b>\$ 9,991,031</b> | <b>\$ 7,685,944</b> |
| <b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</b>                                 |                     |                     |
| Interest Paid  | \$ -                | \$ 744              |
| <b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>  |                     |                     |
| <u>Adoption of ASU 2016-02</u>   |                     |                     |
| Operating Lease Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities | \$ 2,907,821        | \$ -                |

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 – Program Services

Year Ended March 31, 2022

|  | 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                              | \$ 2,270,020   | \$ 375,755  | \$ 2,067,920                                | \$ 760,096                                 | \$ 8,076,825         | \$ 147,752        | \$ 32,396                    | \$ 1,336,329                 | \$15,067,093        |
| Salaries, Payroll Taxes and Related Benefits | 530,093  | 627,571   | 735,757                                     | 316,982                                    | 773,378              | -                 | -                            | 298,524                      | 3,282,305           |
| Telephone                                    | 3,935  | 5,539   | 7,117                                       | 2,014                                      | 9,093                | -                 | -                            | 11,906                       | 39,604              |
| Occupancy, Including Depreciation            | 263,676  | 180,161   | 269,985                                     | 108,427                                    | 521,936              | -                 | -                            | 324,431                      | 1,668,616           |
| Printing, Postage and Office Supplies        | 1,884  | 2,507   | 1,612                                       | 1,722                                      | 2,230                | -                 | -                            | 2,073                        | 12,028              |
| Dues and Subscriptions                       | -  | -   | -   | 360  | -                    | -                 | -                            | -                            | 360                 |
| Travel and Conferences                       | 326  | 325   | -   | 749  | 916                  | -                 | -                            | 2,073                        | 4,389               |
| Technology Support                           | 6,371  | 4,722   | 4,604                                       | 5,878                                      | 9,424                | -                 | -                            | 11,128                       | 42,127              |
| Food and Kitchen                             | 717,156  | 105,554   | 657,174                                     | 234,154                                    | 3,844,935            | -                 | -                            | 411,199                      | 5,970,172           |
| Vehicle Expenses                             | 1,127  | 1,154   | 21,083                                      | 598  | 46,286               | -                 | -                            | 611                          | 70,859              |
| <b>Total</b>                                 | <b>\$ 3,794,588</b>                                  | <b>\$ 1,303,288</b>                                 | <b>\$ 3,765,252</b>                         | <b>\$ 1,430,980</b>                        | <b>\$ 13,285,023</b> | <b>\$ 147,752</b> | <b>\$ 32,396</b>             | <b>\$ 2,398,274</b>          | <b>\$26,157,553</b> |

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<br/>and<br/>Administrative</b> | <b>Fundraising</b>  | <b>Total</b>        |
|---|---|---------------------|---------------------|
| General and Administrative                    | \$ 73,617                                 | \$ -                | \$ 73,617           |
| Fundraising                                   | -   | 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

### Statement of Functional Expenses – Supporting Services

Year Ended March 31, 2022

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|   | <b>General<br/>and<br/>Administrative</b> | <b>Fundraising</b>  | <b>Total</b>        |
|---|---|---------------------|---------------------|
| General and Administrative                    | \$ 43,777                                 | \$ -                | \$ 43,777           |
| Fundraising                                   | -   | 1,264,901           | 1,264,901           |
| Bank Charges                                  | 76,324                                    | -                   | 76,324              |
| Salaries, Payroll Taxes, and Related Benefits | 683,205                                   | 685,652             | 1,368,857           |
| Interest Expense                              | 744                                       | -                   | 744                 |
| Telephone                                     | -   | 6,400               | 6,400               |
| Occupancy, Including Depreciation             | 112,188                                   | 25,371              | 137,559             |
| Printing, Postage and Office Supplies         | 17,568                                    | 19,772              | 37,340              |
| Professional Fees                             | 75,475                                    | -                   | 75,475              |
| Dues and Subscriptions                        | 17,992                                    | 1,181               | 19,173              |
| Travel and Conferences                        | 32,576                                    | 3,137               | 35,713              |
| Technology Support                            | 9,438                                     | 4,323               | 13,761              |
| Vehicle Expenses                              | 25,659                                    | 4,093               | 29,752              |
| <b>Total</b>                                  | <b>\$ 1,094,946</b>                       | <b>\$ 2,014,830</b> | <b>\$ 3,109,776</b> |

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See Notes to Financial Statements.



# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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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.

**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 permanent in nature and require that principal be maintained in perpetuity by the Organization. At March 31, 2023 and 2022, the Organization had no net assets with donor restrictions permanent in nature.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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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>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| Cash and Cash Equivalents  | \$ 9,959,327        | \$ 7,648,518        |
| Restricted Cash and Cash Equivalents   | 31,704              | 37,426              |
| Total Cash and Cash Equivalents and Restricted Cash and Cash Equivalents shown in the Statements of Cash Flows | <u>\$ 9,991,031</u> | <u>\$ 7,685,944</u> |

### *Financial Instruments Subject to Credit Risk*

The Organization has two 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, 2023 and 2022, there were cash balances in excess of FDIC limits at the bank of approximately \$8,960,000 and \$7,358,000, respectively.

Receivables also subject the Organization to credit risk.

### *Marketable Securities*

Marketable securities are stated at fair value in the statements of financial position (see Note 4); 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.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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### *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          |

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

Effective April 1, 2022, the Organization adopted Accounting Standards Update 2016-02, *Leases (Topic 842)* (“ASU 2016-02”) using the modified retrospective transition method. This method allows for a cumulative-effect adjustment recorded. The Organization’s adoption of ASU 2016-02 did not have a material impact on the accompanying statement of activities and changes in net assets.

Upon adoption of ASU 2016-02, the Organization elected the transition relief practical expedients which specify that an entity does not need to reassess initial direct costs for existing leases, the lease classification for expired or existing leases, and whether any expired or existing contracts contain leases.

The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize ROU assets and lease liabilities on the accompanying 2023 statement 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.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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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, 2023 and 2022.

### ***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 \$195,667 and \$185,667 for the years ended March 31, 2023 and 2022, respectively which are included as in-kind contributions and program expenses.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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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 estimate 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. For the years ended March 31, 2023 and 2022, \$15,994,343 and \$19,651,106, respectively, was received in in-kind contributions.

### ***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, 2020.

### ***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 June 20, 2023, noting no items requiring disclosure.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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### 2. Liquidity and Cash Management

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The following reflects the Organization's financial assets as of March 31, 2023 and 2022, 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>2023</u>          | <u>2022</u>          |
|--|----------------------|----------------------|
| Financial Assets at March 31,  | \$ 15,733,185        | \$ 13,743,459        |
| Less Amounts Unavailable for General Expenditures Within One Year Due to:              |                      |                      |
| Restricted by Donor with Time or Purpose Restrictions                                  | (215,323)            | (291,850)            |
| Other Current Assets   | (4,590)              | (4,815)              |
| Inventories  | (873,276)            | (1,027,171)          |
| Prepaid Expenses   | (87,801)             | (66,365)             |
| Cash Held as Collateral for Revolving Line of Credit                                   | (538,375)            | (532,522)            |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 14,013,820</u> | <u>\$ 11,820,736</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 6). 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. In the event of unanticipated liabilities, the Organization could utilize these funds.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

### 3. Marketable Securities

Marketable Securities at March 31 consists of the following:

|                                | <u>Cost</u>         | <u>Gross<br/>Unrealized<br/>Gains</u> | <u>Gross<br/>Unrealized<br/>Losses</u> | <u>Fair<br/>Value</u> |
|--------------------------------|---------------------|---------------------------------------|--|-----------------------|
| <b>2023</b>                    |                     |                                       |  |                       |
| Exchange Traded Funds          |                     |                                       |  |                       |
| Equity Funds                   | \$ 3,310,292        | \$ 37,837                             | \$ (30,471)                            | \$ 3,317,658          |
| Fixed Income Funds             | 1,255,742           | -                                     | (45,427)                               | 1,210,315             |
| Mutual Funds                   |                     |                                       |  |                       |
| Fixed Income Funds             | 250,000             | -                                     | (1,486)                                | 248,514               |
| Total Marketable<br>Securities | <u>\$ 4,816,034</u> | <u>\$ 37,837</u>                      | <u>\$ (77,384)</u>                     | <u>\$ 4,776,487</u>   |
| <b>2022</b>                    |                     |                                       |  |                       |
| Exchange Traded Funds          |                     |                                       |  |                       |
| Equity Funds                   | \$ 2,856,237        | \$ 163,629                            | \$ (78)                                | \$ 3,019,788          |
| Fixed Income Funds             | 427,664             | -                                     | (29,767)                               | 397,897               |
| Mutual Funds                   |                     |                                       |  |                       |
| Equity Funds                   | 1,242,705           | 13,289                                | -                                      | 1,255,994             |
| Fixed Income Funds             | 235,000             | -                                     | (31,914)                               | 203,086               |
| Total Marketable<br>Securities | <u>\$ 4,761,606</u> | <u>\$ 176,918</u>                     | <u>\$ (61,759)</u>                     | <u>\$ 4,876,765</u>   |

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

|  | <u>2023</u>        | <u>2022</u>       |
|--|--------------------|-------------------|
| Interest and Dividend Income, Net of Fees    | \$ 193,480         | \$ 162,677        |
| Net Realized Loss on Sale of Investments     | (66,552)           | (87,133)          |
| Change in Net Unrealized Holding Gain (Loss) | (154,706)          | 114,671           |
|  | <u>\$ (27,778)</u> | <u>\$ 190,215</u> |

### 4. Fair Value Measurements

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, 2023 and 2022

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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, 2023 and 2022.

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

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                                 | \$ 3,317,658        | \$ -           | \$ -           | \$ 3,317,658        |
| Fixed Income Funds                           | 1,210,315           | -              | -              | 1,210,315           |
| Mutual Funds                                 |                     |                |                |                     |
| Fixed Income Funds                           | 248,514             | -              | -              | 248,514             |
| Total Marketable Securities<br>at Fair Value | <u>\$ 4,776,487</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 4,776,487</u> |



# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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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, 2022:

|  | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
|--|---------------------|----------------|----------------|---------------------|
| Exchange Traded Funds                        |                     |                |                |                     |
| Equity Funds                                 | \$ 3,019,788        | \$ -           | \$ -           | \$ 3,019,788        |
| Fixed Income Funds                           | 397,897             | -              | -              | 397,897             |
| Mutual Funds                                 |                     |                |                | -                   |
| Equity Funds                                 | 1,255,994           | -              | -              | 1,255,994           |
| Fixed Income Funds                           | 203,086             | -              | -              | 203,086             |
| Total Marketable Securities<br>at Fair Value | <u>\$ 4,876,765</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 4,876,765</u> |

### 5. 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, 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 year ended March 31, 2023, 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:

#### Lease Cost

|                                     |                   |
|-------------------------------------|-------------------|
| Operating Lease Cost:               |                   |
| Amortization of Right-of-Use Assets | \$ 457,201        |
| Interest on Lease Liabilities       | 66,297            |
| Operating Lease Expense             | 36,581            |
| Total Lease Cost                    | <u>\$ 560,079</u> |

#### Other Information

|   |            |
|---|------------|
| Cash Paid for Amounts Included in the Measurement<br>of Lease Liabilities:                  |            |
| Operating Cash Flows from Operating Leases  | \$ 486,917 |
| Operating Lease Right-of-Use Assets Obtained in Exchange for<br>Operating Lease Liabilities | 2,907,821  |
| Weighted-Average Remaining Lease<br>Term (Years) - Operating Leases                         | 5.6        |
| Weighted-Average Discount Rate - Operating Leases   | 2.47%      |

## Open Door Mission

### Notes to Financial Statements

#### March 31, 2023 and 2022

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Future minimum lease payments under these leases, including taxes, common area maintenance and other related operating expenses, for the years ending after March 31, 2023 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<br/>Leases</u> |
|---|-----------------------------|
| 2024                                    | \$ 372,994                  |
| 2025                                    | 499,449                     |
| 2026                                    | 505,478                     |
| 2027                                    | 520,642                     |
| 2028                                    | 246,602                     |
| Thereafter                              | <u>523,393</u>              |
| Total Future Lease Payments             | 2,668,558                   |
| Less: Discount to Present Value         | <u>(181,357)</u>            |
| Total Lease Liabilities                 | 2,487,201                   |
| Less: Current Portion                   | 445,434                     |
| Lease Liabilities, Less Current Portion | <u>\$ 2,041,767</u>         |

Lease expense under these operating leases was \$560,079 and \$517,000 for the years ended March 31, 2023 and 2022, respectively. Lease expenses with related parties (see Note 10), was approximately \$503,000 and \$452,000 for the years ended March 31, 2023 and 2022, respectively.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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### 6. 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 0.75% at March 31, 2023), subject to a floor of 3.50%, and at the Wall Street Journal Prime rate plus 0.75% (8.25%), respectively, and are due September 1, 2023. As of March 31, 2023 and 2022, there were no balances outstanding on these lines of credit.

### 7. Long-Term Debt

---

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

|   | <u>2023</u>       | <u>2022</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, 2023 are as follows:

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

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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

Net assets with donor restrictions that are temporary in nature at March 31 consists of the following:

|  | <u>2022</u>       | <u>Additions</u>    | <u>Releases</u>       | <u>2023</u>       |
|--|-------------------|---------------------|-----------------------|-------------------|
| 12 Step Chips  | \$ -              | \$ 3,000            | \$ (3,000)            | \$ -              |
| 5k Run Sponsor   | -                 | 1,816               | (1,816)               | -                 |
| Adopt A Guest  | -                 | 17,675              | (331)                 | 17,344            |
| Adopt A Student  | -                 | 300                 | -                     | 300               |
| Baby Shower  | 1,324             | 6,842               | (2,460)               | 5,706             |
| Back to School Program   | -                 | 1,868               | (1,868)               | -                 |
| Beat the Heat Program  | 8,592             | -                   | (4,799)               | 3,793             |
| Bible Day Camp   | -                 | 81,215              | (81,215)              | -                 |
| Celebration Carnival Event Sponsorship   | -                 | 10,000              | (10,000)              | -                 |
| Clinic   | -                 | 1,126               | (1,126)               | -                 |
| Clinic for Medical Supplies  | -                 | 1,600               | (1,600)               | -                 |
| 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            |
| Elkhorn Family Outreach Center   | -                 | 500                 | (500)                 | -                 |
| Fleet Pride Renovations  | 202,603           | 200,000             | (402,603)             | -                 |
| Food   | -                 | 35,461              | (35,461)              | -                 |
| Food and Care  | -                 | 207,645             | (207,645)             | -                 |
| 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               |
| Kids Cafe  | -                 | 1,450               | (1,450)               | -                 |
| Lydia House  | -                 | 143,225             | (143,225)             | -                 |
| 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               |
| Lydia House - Pumpkins   | -                 | 60                  | (60)                  | -                 |
| Men's Center Water Stations  | -                 | 2,810               | (2,810)               | -                 |
| Men's Ministry Life Recovery Bibles  | -                 | 1,500               | -                     | 1,500             |
| Mustard Seed Program   | 7,385             | -                   | (2,000)               | 5,385             |
| New Underwear  | -                 | 30                  | -                     | 30                |
| Outreach Centers   | -                 | 1,500               | (1,500)               | -                 |
| Peak Challenge   | -                 | 2,270               | (2,270)               | -                 |
| Plastic Gaylords   | -                 | 52,180              | (51,900)              | 280               |
| Project Santa  | -                 | 3,515               | (3,515)               | -                 |
| Radio Advertising  | -                 | 5,000               | (5,000)               | -                 |
| Reach-in Commercial Freezer and Food   | -                 | 5,000               | (5,000)               | -                 |
| The Adult Learning Center GED program  | -                 | 10,000              | (10,000)              | -                 |
| TOC renovation   | -                 | 400,000             | (400,000)             | -                 |
| Toilet Paper   | -                 | 20                  | (20)                  | -                 |
| Toy N Joy  | -                 | 8,766               | (8,766)               | -                 |
| Turkey N Fixins  | -                 | 49,699              | (31,294)              | 18,405            |
| Utilities  | -                 | 9,000               | (9,000)               | -                 |
| Veterans   | -                 | 10,649              | (10,649)              | -                 |
| Volunteer/Student Clinic Insurance   | 1,534             | -                   | -                     | 1,534             |
| Water Drive  | 9,198             | 3,299               | (848)                 | 11,649            |
|  | <u>\$ 291,850</u> | <u>\$ 1,965,766</u> | <u>\$ (2,042,293)</u> | <u>\$ 215,323</u> |

## Open Door Mission

### Notes to Financial Statements

March 31, 2023 and 2022

|  | <u>2021</u>       | <u>Additions</u>    | <u>Releases</u>     | <u>2022</u>       |
|--|-------------------|---------------------|---------------------|-------------------|
| Beat the Heat Program  | \$ 3,131          | \$ 7,250            | \$ (1,789)          | \$ 8,592          |
| Health Insurance Trust Account   | 41,653            | 372,000             | (376,226)           | 37,427            |
| Lydia House Building Construction by HTH of the Metro, LLC (in Other Current Assets) | 6,531             | -                   | (1,716)             | 4,815             |
| Lydia House Diaper Drive and Baby Formula  | 185               | -                   | (185)               | -                 |
| Mustard Seed Program   | 7,453             | -                   | (68)                | 7,385             |
| Dental Equipment   | 4,047             | -                   | -                   | 4,047             |
| Baby Shower  | 613               | 2,715               | (2,004)             | 1,324             |
| Housing Problem Solving/Rent   | 33,857            | 90,000              | (116,987)           | 6,870             |
| Diaper Drive   | 12,745            | 7,521               | (14,111)            | 6,155             |
| Food Delivery Truck  | 1,800             | -                   | -                   | 1,800             |
| Bariatric Wheelchair   | 1,000             | -                   | (1,000)             | -                 |
| Omaha Streets Program  | 200               | -                   | (200)               | -                 |
| Receiving Department Equipment   | 125               | -                   | (125)               | -                 |
| Fleet Pride Renovations  | -                 | 626,567             | (423,964)           | 202,603           |
| Water Drive  | -                 | 9,198               | -                   | 9,198             |
| Volunteer/Student Clinic Insurance   | -                 | 1,598               | (64)                | 1,534             |
| Coat Drive   | -                 | 100                 | -                   | 100               |
| Clinic Support   | -                 | 1,730               | (1,730)             | -                 |
|  | <u>\$ 113,340</u> | <u>\$ 1,118,679</u> | <u>\$ (940,169)</u> | <u>\$ 291,850</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 \$204,784 and \$168,538 were made for the years ended March 31, 2023 and 2022, respectively.

#### 10. Related Parties

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.

# Open Door Mission

## Notes to Financial Statements

### March 31, 2023 and 2022

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In the year ended March 31, 2023, the Organization completed the thirteenth 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022.

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, 2023 and 2022 to GTMC, LLC. These advances are accruing interest at 3% compounded through to repayment.

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.

# Open Door Mission

## Notes to Financial Statements

March 31, 2023 and 2022

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### 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.

**Lutz**