



Financial Statements

June 30, 2020 and 2019

Independent Auditors' Report

Board of Directors
The Open Door Shelter, Inc.
Norwalk, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of The Open Door Shelter, Inc. ("Open Doors") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 Doors as of June 30, 2020 and 2019, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program services expenses on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

Shelton, Connecticut
December 31, 2020

THE OPEN DOOR SHELTER, INC.

Statements of Financial Position

	June 30,	
	2020	2019
ASSETS		
Current Assets		
Cash	\$ 3,147,946	\$ 2,124,376
Restricted cash	1,635,612	1,349,641
Tenants' security deposits	64,575	61,571
Contributions and grants receivable, net	87,519	552,890
Current portion of promises to give	-	96,333
Prepaid expenses and other	113,843	60,009
Total Current Assets	5,049,495	4,244,820
Contributions and grants receivable, net of current portion	-	40,000
Promises to give, net of current portion	-	33,333
Property and equipment, net	10,350,382	10,427,851
	\$ 15,399,877	\$ 14,746,004
LIABILITIES AND NET ASSETS		
Current Liabilities		
Loan payable, bank	\$ 439,604	\$ -
Accounts payable and accrued expenses	231,322	444,035
Current portion of long-term debt	44,995	48,766
Tenants' security deposits	64,575	61,571
Deferred revenue	111,688	-
Total Current Liabilities	892,184	554,372
Long-term debt, net of current portion	1,322,985	1,367,732
Total Liabilities	2,215,169	1,922,104
Net Assets		
Without Donor Restrictions		
Undesignated	1,120,212	766,924
Net investment in property and equipment	8,982,402	9,011,353
Board designated funds	1,300,000	1,300,000
Total Without Donor Restrictions	11,402,614	11,078,277
With donor restrictions	1,782,094	1,745,623
Total Net Assets	13,184,708	12,823,900
	\$ 15,399,877	\$ 14,746,004

THE OPEN DOOR SHELTER, INC.

Statements of Activities

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Government grants and contracts	\$ 792,516	\$ -	\$ 792,516	\$ 669,907	\$ 260,457	\$ 930,364
Contributions	2,103,331	529,992	2,633,323	997,761	1,226,489	2,224,250
In-kind contributions	328,010	-	328,010	463,329	-	463,329
Program services revenue	91,240	-	91,240	90,145	-	90,145
Rental income	720,906	-	720,906	598,394	-	598,394
Special events, net of direct donor benefit of \$0 and \$89,948	-	-	-	523,077	-	523,077
Interest and other income	35,198	-	35,198	46,844	-	46,844
Net assets released from restrictions	493,521	(493,521)	-	1,212,193	(1,212,193)	-
Total Public Support and Revenue	<u>4,564,722</u>	<u>36,471</u>	<u>4,601,193</u>	<u>4,601,650</u>	<u>274,753</u>	<u>4,876,403</u>
EXPENSES						
Program services	3,468,899	-	3,468,899	3,135,190	-	3,135,190
Management and general	384,065	-	384,065	485,781	-	485,781
Fundraising	387,421	-	387,421	424,435	-	424,435
Total Expenses	<u>4,240,385</u>	<u>-</u>	<u>4,240,385</u>	<u>4,045,406</u>	<u>-</u>	<u>4,045,406</u>
Change in Net Assets	324,337	36,471	360,808	556,244	274,753	830,997
NET ASSETS						
Beginning of year	11,078,277	1,745,623	12,823,900	10,522,033	1,470,870	11,992,903
End of year	<u>\$ 11,402,614</u>	<u>\$ 1,782,094</u>	<u>\$ 13,184,708</u>	<u>\$ 11,078,277</u>	<u>\$ 1,745,623</u>	<u>\$ 12,823,900</u>

THE OPEN DOOR SHELTER, INC.

Statements of Functional Expenses

	Year Ended June 30, 2020				Year Ended June 30, 2019				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Direct Donor Benefits	Total
PERSONNEL									
Salaries	\$1,419,249	\$ 282,582	\$ 205,155	\$1,906,986	\$1,205,858	\$ 340,542	\$ 230,232	\$ -	\$1,776,632
Payroll taxes	116,168	14,863	10,789	141,820	88,131	24,553	15,555	-	128,239
Health and workers' compensation insurance	183,983	17,568	28,137	229,688	153,572	29,754	33,723	-	217,049
Hiring and other employment related	8,021	56	81	8,158	18,527	5,428	3,566	-	27,521
Retirement plan	91,162	5,975	14,049	111,186	59,953	12,377	13,814	-	86,144
Total Personnel Costs	<u>1,818,583</u>	<u>321,044</u>	<u>258,211</u>	<u>2,397,838</u>	<u>1,526,041</u>	<u>412,654</u>	<u>296,890</u>	<u>-</u>	<u>2,235,585</u>
OTHER THAN PERSONNEL COSTS									
Event production	-	-	-	-	-	-	-	89,948	89,948
Food costs	433,458	-	-	433,458	570,725	-	-	-	570,725
Insurance	34,701	5,783	177	40,661	50,856	5,700	199	-	56,755
Maintenance and repair	64,766	-	-	64,766	81,117	-	-	-	81,117
Marketing	-	-	-	-	228	-	460	-	688
Mortgage and other interest	37,774	-	-	37,774	43,531	-	-	-	43,531
Office and other supplies	23,785	1,493	454	25,732	25,317	936	1,620	-	27,873
Outside computer service	37,437	7,096	9,110	53,643	47,531	5,270	10,758	-	63,559
Professional fees	17,862	36,450	66,521	120,833	85,384	51,932	63,952	-	201,268
Training and client expenses	71,895	-	-	71,895	26,579	-	-	-	26,579
Publishing and printing	472	559	12,101	13,132	312	35	21,850	-	22,197
Real estate taxes	75,289	-	-	75,289	76,458	-	-	-	76,458
Registration, bank, and other fees	2,664	-	11,281	13,945	1,348	-	4,765	-	6,113
Telephone	24,868	119	1,441	26,428	25,190	110	299	-	25,599
Transportation	15,298	2,472	-	17,770	13,773	231	326	-	14,330
Utilities	132,435	752	752	133,939	109,533	3,379	3,813	-	116,725
Other expenses	216,507	8,297	27,373	252,177	48,033	5,534	19,503	-	73,070
Total Other Than Personnel Costs	<u>1,189,211</u>	<u>63,021</u>	<u>129,210</u>	<u>1,381,442</u>	<u>1,205,915</u>	<u>73,127</u>	<u>127,545</u>	<u>89,948</u>	<u>1,406,587</u>
Total Expenses Before Depreciation	3,007,794	384,065	387,421	3,779,280	2,731,956	485,781	424,435	89,948	3,642,172
Depreciation	461,105	-	-	461,105	403,234	-	-	-	403,234
Direct donor benefits	-	-	-	-	-	-	-	(89,948)	(89,948)
Total Expenses	<u>\$3,468,899</u>	<u>\$ 384,065</u>	<u>\$ 387,421</u>	<u>\$4,240,385</u>	<u>\$3,135,190</u>	<u>\$ 485,781</u>	<u>\$ 424,435</u>	<u>\$ -</u>	<u>\$4,045,406</u>

See notes to financial statements

THE OPEN DOOR SHELTER, INC.

Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 360,808	\$ 830,997
Adjustments to reconcile change in net assets to net cash from operating activities		
Recovery of bad debts	-	(105)
Depreciation	461,105	403,234
Changes in operating assets and liabilities		
Contributions and grants receivable	498,371	763,632
Promises to give	136,666	(36,966)
Prepaid expenses and other	(53,834)	6,561
Accounts payable and accrued expenses	(212,713)	48,782
Deferred revenue	111,688	-
Net Cash From Operating Activities	1,302,091	2,016,135
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(383,636)	(956,572)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable, bank	439,604	
Repayment of long-term debt	(48,518)	(839,762)
Proceeds from issuance of long-term debt	-	950,000
Net Cash From Financing Activities	391,086	110,238
 Net Change in Cash and Restricted Cash	1,309,541	1,169,801
 CASH AND RESTRICTED CASH		
Beginning of year	3,474,017	2,304,216
End of year	\$ 4,783,558	\$ 3,474,017
 SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 37,774	\$ 43,531
 Cash	\$ 3,147,946	\$ 2,124,376
Restricted cash	1,635,612	1,349,641
Total Cash and Restricted Cash	\$ 4,783,558	\$ 3,474,017

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

1. Nature of Operations

The Open Door Shelter, Inc. (the “Open Doors” or the “Organization”) is a not-for-profit organization established in 1984. Open Doors’ mission is to strive to make a direct impact in the Greater Norwalk area by guiding every person in the cycle of homelessness towards housing stability. This is accomplished by engaging every person at risk of, and experiencing, homelessness with a holistic set of tools and resources that can be tailored to their individual needs. The tools and resources provided will be directly managed by Open Doors and through strategic partnerships.

Open Doors provides the following services:

Housing

Affordable Homes - Open Doors currently has 55 affordable and supportive apartments and is committed to doing our part to close the affordable housing gap in Fairfield County. Residents of these units pay an affordable rate as determined by their income or are matched with housing support.

Community Closet - Open Doors’ Community Closet is a ‘free store’ where households in need can shop for seasonal clothing, shoes, and household necessities. Everything in the community closet is donated by our neighbors in order to provide quality wardrobes and goods for people dealing with poverty and homelessness.

Nutrition

Food - The kitchen at Open Doors is the only program in Norwalk providing free hot meals every day to anyone in need. Open Doors also has a grocery pantry that is open five days a week and a holiday meal basket program in the fall, winter, and spring that give food to low-income households in our neighborhood.

Job Training

Employment Services - Open Doors partners with industry experts to provide employment services, one-on-one job placement, and continuing education for area residents and shelter guests. Programs are open to any Norwalk area resident who is looking for resources to help achieve and maintain a sustainable income.

Sheltering

Case Management - Individualized case management is the core of Open Doors’ services. The case management team at Open Doors provides support that is tailored to each shelter guest or housed client. The focus is to help them achieve or maintain stable housing of their own, while also working to connect them with resources to help conquer obstacles to achieving these goals.

Emergency Shelter - As a Housing First organization, Open Doors has emergency shelter space for individuals and families. Each guest at Open Doors is matched with a case manager who works with them to create and execute an individualized plan to help them move from shelter to a stable home of their own as quickly as possible.

Street Outreach - As a PATH (Projects for Assistant in Transition from Homelessness) provider, Open Doors has a team member dedicated to outreach and engagement into services to people who are homeless or at risk of homelessness and have serious mental health needs or who have mental health needs with a co-occurring substance use disorder.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

1. Nature of Operations (*continued*)

Sheltering (continued)

Children's Resources - In order to give children dealing with homelessness the same opportunities as their peers, Open Doors provides after-school enrichment and connects families with summer youth activities. Our Children's Resource Center is also available to families who have moved from shelter to homes of their own in the neighborhood.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Restricted Cash

Cash and restricted cash include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. These are included within cash as level 1 measurements of \$1,565,468 and \$323,814 as of June 30, 2020 and 2019.

From time to time, Open Doors has cash in the bank in excess of the federal deposit insurance amount of \$250,000. Open Doors has not experienced any losses to date and believes it is not exposed to any significant credit risk on cash. As of June 30, 2020, Open Door's cash exceeded Federal Deposit Insurance Corporation insured limits by \$4,216,435.

Restricted cash consists of funds held for specific purposes whose use is limited by donor imposed time and/or purpose restrictions.

Contributions Receivable

Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Open Doors continuously monitors the creditworthiness of donors and establishes, when appropriate, an allowance for amounts that may become uncollectible in the future based on current economic trends, historical payments and bad debt write-off experience, and any specific donor related collection issues. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. As of June 30, 2020 and 2019, management has established an allowance of \$9,900 and \$2,900, respectively.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Promises to Give

Promises to give are recorded in accordance with ASC 958-605, “*Not for Profit Entities, Revenue Recognition*”, which requires an organization to record such promises as revenue when the promise is deemed to be unconditional. Accordingly, conditional promises to give are recognized as revenue only when the conditions on which they depend are substantially met and the promises become unconditional, or the contributions are received. Promises to give are recorded at net realizable value if expected to be collected within one year, and at net present value if expected to be collected beyond one year. Unconditional promises to give are classified as net assets without donor restriction.

Open Doors continuously monitors the creditworthiness of donors and establishes, when appropriate, an allowance for amounts that may become uncollectible in the future based on current economic trends, historical payment and bad debt write-off experience, and any specific donor related collection issues. Management has established an allowance of \$0 and \$7,000 at June 30, 2020 and 2019, respectively.

Property and Equipment

Open Doors records property and equipment at cost, or if received by donation, at estimated fair value at the time such items are received. Property and equipment with a cost or fair value in excess of \$2,500 with a useful life in excess of one year are capitalized. Major repairs and replacements that extend the useful life of property are similarly capitalized. Depreciation is being provided by use of the straight-line method over the estimated useful lives of the related asset ranging from three to forty years. Expenditures for repairs and maintenance are charged to expense as incurred.

Deferred Revenue

Deferred revenue consists of funds that have been received from donors and private businesses for future fundraising events, which will be recognized as revenue when related events occur.

Net Assets Presentation

Net assets without donor restriction – Net assets without donor restriction are available for use at the discretion of the Board of Directors (“Board”) and/or management for general operating purposes. As of June 30, 2020 and 2019, the Board has designated \$500,000 as an operating reserve to protect Open Doors from the effects of an economic downturn and \$800,000 as a building reserve for emergency building needs or opportunities. Board designated funds may be spent only with specific Board authorization.

Net assets with donor restriction – Net assets with donor restrictions consists of assets whose use is limited by donor imposed time and/or purpose restrictions.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (*continued*)

Adoption of New Accounting Policy

During the year, Open Doors adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958) using the full retrospective approach. This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. This ASU clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction. If no commensurate value is received by the grant maker, the transfer is a contribution. The ASU stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Contributions / Government Grants and Contracts

Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Grants from federal, state and other sources are recognized as revenue when the related expenditures are incurred or revenue otherwise earned. Contributions and grants that are restricted by the donor are reported as net assets with donor restriction. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented with net assets without donor restrictions.

Contributed Goods and Services

Donations of meals and other non-cash contributions, certain services and property and equipment, are recorded as contributions at their estimated fair value on the date of the donation. These contributed goods and services are reported as unrestricted support unless explicit donor stipulations specify how long the donated assets must be used. Absent donor stipulations about how long those assets must be used, Open Doors reports expirations of donor restrictions when the assets are placed in service.

Open Doors recognizes donated services if they create or enhance non-financial assets or requires specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statement. However, a substantial number of volunteers have donated their time to Open Doors’ program services and fund-raising activities. See Note 8.

Rental Income

Residential leases at Open Doors’ eight properties generally have terms of one year or less. Open Doors’ commercial health center lease expires in September 2023. Rental income is recognized when payment is due pursuant to the terms of the leases.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Bond Funds

Open Doors received bond funds for renovations and improvements of \$260,457 for the year ended June 30, 2019. If the property is not utilized by Open Doors, the bond funds will have to be repaid. The repayment is made in an amount equal to the amount of the bond less 10% for each full year of the 10 year period that the location was utilized. Bond funds and the unamortized balance of the bonds are recorded as net assets with donor restrictions. See Note 7.

Functional Expenses

Open Doors allocates its expenses on a functional basis among its program and support services. The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated based on job function, time allocation, estimates made by management and square footage for utilities, telephone and insurance expense.

Income Taxes

Open Doors is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code.

Open Doors recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Open Doors had no uncertain tax positions that would require financial statement recognition or disclosure. Open Doors is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2016.

3. Property and Equipment

	June 30,	
	2020	2019
Buildings and improvements	\$11,646,197	\$11,393,960
Land	1,630,090	1,630,090
Equipment	506,785	410,920
	13,783,072	13,434,970
Less accumulated depreciation	(3,432,690)	(3,007,119)
	<u>\$10,350,382</u>	<u>\$10,427,851</u>

4. Loan Payable, Bank

Open Doors applied for and has received a \$439,604 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA") through People's United Bank. The PPP Loan matures in April 2022, and has an interest rate of 1.0% per annum. Principal amount outstanding and accrued interest is eligible for forgiveness, if Open Doors meets various thresholds regarding cash paid for qualified expenses, maintaining the number of full time equivalent employees, and not reducing salary or wages of employees. If these thresholds are not met, Open Doors will be liable to repay the unforgiven portion of the loan and the related accrued interest. No payments on the PPP Loan are due until the earlier of when the SBA determines the loan amount forgiven or 10 months after the end of the specified covered period if Open Doors does not apply for loan forgiveness. Open Doors has elected not to recognize any forgiveness of the principal and accrued interest due on the loan until the loan is forgiven. Open Doors expects the PPP loan to be forgiven and has omitted the U.S. GAAP required annual maturity schedule.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

5. Long-Term Debt

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Mortgage note payable, bank, payable in monthly installments of \$3,898, including interest at 2.75%, with a balloon payment of \$718,735 due upon maturity in December 2028. The note is secured by the property at 2 Merritt Place, Norwalk, CT. (A)	\$ 918,987	\$ 939,758
Mortgage note payable, bank, payable in monthly installments of \$2,632, including interest at 2.50%, through December 2037. The note is secured by the property at 70 Chestnut Street, Norwalk, CT. (A)	445,942	465,913
Notes payable, leasing companies, payable in aggregate monthly installments of \$707, including interest a 4.95%, through February 2021.	<u>3,051</u>	<u>10,827</u>
	1,367,980	1,416,498
Less current portion	<u>44,995</u>	<u>48,766</u>
	<u>\$1,322,985</u>	<u>\$1,367,732</u>

Principal payments on long-term debt are as follows:

<u>Year Ending June 30:</u>	
2021	\$ 44,995
2022	43,075
2023	44,236
2024	45,340
2025	46,653
Thereafter	<u>1,143,681</u>
	<u>\$1,367,980</u>

(A) The mortgage note payable contains certain financial covenants which are to be tested annually. Included, among others, is a required debt service coverage ratio of no less than 1.0 to 1.0. Failure to comply with the covenants may accelerate the due date of the outstanding principal and unpaid interest. At June 30, 2020 Open Doors was in compliance with all covenants.

6. Defined Contribution Retirement Plan

Open Doors has a 401(k) Plan, (the "Plan") covering eligible salaried employees. Eligible salaried employees must be at least 21 years of age, work for twelve consecutive months, and complete 1,000 hours of service. Employees may contribute to the Plan, subject to Internal Revenue Service limitations. Open Doors provides for matching contributions equal to 100% of the first 2% of each participants salary deferred into the Plan. During the years ended June 30, 2020 and 2019, retirement plan expense was approximately \$111,200 and \$86,100, respectively.

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

7. Net Assets With Donor Restriction

Net assets with donor restrictions as of June 30 are as follows:

	June 30,	
	2020	2019
Childrens' Resource Fund	\$ 55,980	\$ 13,856
Smilow Life Center Contributions	207,098	204,030
Family Housing Project Contributions	787,470	969,727
Job Training Program	123,181	323,598
Office of Policy & Management Grant (Bond funds)	208,365	234,412
Time Restricted Individual Contributions	400,000	-
	<u>\$1,782,094</u>	<u>\$1,745,623</u>

Net assets released from restrictions and spent for their intended purposes are as follows:

	June 30,	
	2020	2019
Childrens' Resource Fund	\$ 3,676	\$ 4,759
Smilow Life Center Contributions	21	170,186
Family Housing Project Contributions	263,361	448,918
Job Training Program	200,417	139,445
Office of Policy & Management Grant (Bond funds)	26,046	26,045
CT Housing Finance Authority Grant	-	422,840
	<u>\$ 493,521</u>	<u>\$1,212,193</u>

8. In-Kind Contributions

For the years ended June 30, 2020 and 2019, Open Doors received in-kind donations of meals to support the soup kitchen operation, publishing and printing services as well as other items. These amounts are reflected both as support and expense in the accompanying financial statements. A summary of in-kind contributions and their functional allocation is presented below for the years ended June 30:

	Program Services	Fund- raising	Total
2020			
Food costs	\$ 314,637	\$ -	\$ 314,637
Maintenance and repair	600	-	600
Program expenses	713	-	713
Publishing and printing	-	12,060	12,060
	<u>\$ 315,950</u>	<u>\$ 12,060</u>	<u>\$ 328,010</u>
2019			
Food costs	\$ 435,394	\$ -	\$ 435,394
Maintenance and repair	750	-	750
Program expenses	450	-	450
Publishing and printing	-	26,735	26,735
	<u>\$ 436,594</u>	<u>\$ 26,735</u>	<u>\$ 463,329</u>

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

9. Concentration of Risk

Open Doors receives a significant portion of its revenue from government grants and fees. A significant reduction in these grants and fees could have a negative impact on Open Doors' program services.

Approximately 17% and 19% of Open Doors' revenue and support is from federal and state grants and contracts for the years ended June 30, 2020 and 2019, respectively. Open Doors has outstanding contributions and grants receivable from federal and state grantors of \$38,300 and \$281,600 at June 30, 2020 and 2019, respectively.

10. Rental Income Under Operating Leases

The following is a schedule of minimum rental income for existing noncancellable operating leases as of June 30, 2020:

<u>Year Ending June 30:</u>	
2021	\$ 39,690
2022	41,178
2023	41,675
2024	<u>10,419</u>
	<u>\$132,962</u>

11. Liquidity and Availability of Resources

Open Doors' financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$3,147,946	\$2,124,376
Contributions and grants receivable	87,519	552,890
Current portion of promises to give	-	96,333
Total Financial Assets Available Within One Year	<u>3,235,465</u>	<u>2,773,599</u>
Less amounts unavailable for general expenditures within one year, due to time or purpose restrictions by donor	-	360,457
Less amounts unavailable to management without Board's approval: Board designated funds	<u>1,300,000</u>	<u>1,300,000</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$1,935,465</u>	<u>\$1,113,142</u>

THE OPEN DOOR SHELTER, INC.

Notes to Financial Statements
June 30, 2020 and 2019

11. Liquidity and Availability of Resources (*continued*)

As part of Open Doors' liquidity management policy, financial assets are structured to be available as its general expenditures, liabilities and other obligations come due. Board designated funds and net assets do not contain donor restrictions and could be made available for current operations, if necessary.

12. Risks and Uncertainties

Open Doors' operations have been affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitations on the conduct of business.

The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows in 2021 cannot be reasonably estimated at this time.

13. Subsequent Events

Management has evaluated subsequent events through December 31, 2020, the date which the financial statements were available for issue.

THE OPEN DOOR SHELTER, INC.

Schedule of Program Services Expenses
Year Ended June 30, 2020

	Housing	Nutrition	Job Training	Sheltering	Total
PERSONNEL					
Salaries	\$ 42,063	\$ 137,047	\$ 45,236	\$ 1,194,903	\$ 1,419,249
Payroll taxes	3,220	10,490	3,462	98,996	116,168
Health and workers' compensation insurance	6,184	17,648	850	159,301	183,983
Hiring and other employment related	-	-	-	8,021	8,021
Retirement plan	1,396	9,279	3,618	76,869	91,162
Total Personnel Costs	<u>52,863</u>	<u>174,464</u>	<u>53,166</u>	<u>1,538,090</u>	<u>1,818,583</u>
OTHER THAN PERSONNEL COSTS					
Food costs	-	433,458	-	-	433,458
Insurance	14,769	1,384	3,983	14,565	34,701
Maintenance and repair	34,250	1,985	55	28,476	64,766
Mortgage and other interest	37,774	-	-	-	37,774
Office and other supplies	897	114	93	22,681	23,785
Outside Computer Service	-	-	9,931	27,506	37,437
Professional fees	3,312	-	-	14,550	17,862
Training and client expenses	940	-	60,166	10,789	71,895
Publishing and printing	-	-	-	472	472
Real estate taxes	59,768	-	10,977	4,544	75,289
Registration, bank, and other fees	(55)	-	-	2,719	2,664
Telephone	4,024	-	3,529	17,315	24,868
Transportation	-	47	-	15,251	15,298
Utilities	75,316	8,489	2,119	46,511	132,435
Other expenses	171,875	8,753	830	35,049	216,507
Total Other Than Personnel Costs	<u>402,870</u>	<u>454,230</u>	<u>91,683</u>	<u>240,428</u>	<u>1,189,211</u>
Total Expenses Before Depreciation	455,733	628,694	144,849	1,778,518	3,007,794
Depreciation	378,644	-	82,461	-	461,105
Total Expenses	<u>\$ 834,377</u>	<u>\$ 628,694</u>	<u>\$ 227,310</u>	<u>\$ 1,778,518</u>	<u>\$ 3,468,899</u>

See independent auditors' report

THE OPEN DOOR SHELTER, INC.

Schedule of Program Services Expenses
Year Ended June 30, 2019

	<u>Housing</u>	<u>Nutrition</u>	<u>Job Training</u>	<u>Sheltering</u>	<u>Total</u>
PERSONNEL					
Salaries	\$ 203,094	\$ 122,194	\$ 55,398	\$ 825,172	\$ 1,205,858
Payroll taxes	14,842	8,931	4,049	60,309	88,131
Health and workers' compensation insurance	5,514	13,112	11,750	123,196	153,572
Hiring and other employment related	2,879	1,919	1,133	12,596	18,527
Retirement plan	-	3,300	-	56,653	59,953
Total Personnel Costs	<u>226,329</u>	<u>149,456</u>	<u>72,330</u>	<u>1,077,926</u>	<u>1,526,041</u>
OTHER THAN PERSONNEL COSTS					
Food costs	-	570,725	-	-	570,725
Insurance	24,549	2,000	398	23,909	50,856
Maintenance and repair	17,553	7,653	894	55,017	81,117
Marketing	-	-	-	228	228
Mortgage and other interest	43,447	-	-	84	43,531
Office and other supplies	780	486	705	23,346	25,317
Outside Computer Service	2,264	-	9,738	35,529	47,531
Professional fees	59,410	5,885	5,000	15,089	85,384
Training and client expenses	443	-	16,789	9,347	26,579
Publishing and printing	-	-	13	299	312
Real estate taxes	53,025	-	-	23,433	76,458
Registration, bank, and other fees	-	-	-	1,348	1,348
Telephone	623	623	3,397	20,547	25,190
Transportation	-	-	77	13,696	13,773
Utilities	56,688	5,535	1,500	45,810	109,533
Other expenses	4,930	4,553	1,306	37,244	48,033
Total Other Than Personnel Costs	<u>263,712</u>	<u>597,460</u>	<u>39,817</u>	<u>304,926</u>	<u>1,205,915</u>
Total Expenses Before Depreciation	490,041	746,916	112,147	1,382,852	2,731,956
Depreciation	204,369	3,656	61,918	133,291	403,234
Total Expenses	<u>\$ 694,410</u>	<u>\$ 750,572</u>	<u>\$ 174,065</u>	<u>\$ 1,516,143</u>	<u>\$ 3,135,190</u>

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