

**THE OPEN DOOR
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**



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**THE OPEN DOOR
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Open Door
Eagan, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Open Door, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Open Door as of December 31, 2022 and 2021, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We 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 Open Door and to meet our other 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022, The Open Door adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Open Door's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Open Door's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Open Door's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 26, 2023

**THE OPEN DOOR
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,859,986	\$ 2,219,294
Accounts Receivable	64,241	1,750
Inventory	136,902	152,661
Prepaid Expenses	35,165	12,315
Total Current Assets	3,096,294	2,386,020
LONG-TERM ASSETS		
Property, Plant, and Equipment, Net	1,097,211	121,343
Right-of-Use Assets	1,044,404	-
Total Long-Term Assets	2,141,615	121,343
Total Assets	\$ 5,237,909	\$ 2,507,363
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 379,055	\$ 20,234
Accrued Liabilities	61,992	32,908
Lease Liability, Current	32,977	-
Total Current Liabilities	474,024	53,142
LONG-TERM LIABILITIES		
Lease Liability, Long-Term	1,552,935	-
Total Long-Term Liabilities	1,552,935	-
Total Liabilities	2,026,959	53,142
NET ASSETS		
Without Donor Restrictions	3,210,950	2,454,221
Total Net Assets	3,210,950	2,454,221
Total Liabilities and Net Assets	\$ 5,237,909	\$ 2,507,363

See accompanying Notes to Financial Statements.

**THE OPEN DOOR
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 2,513,020	\$ -	\$ 2,513,020	\$ 2,127,670	\$ -	\$ 2,127,670
PPP Loan Forgiveness	-	-	-	92,900	-	92,900
In-Kind Contributions	5,145,208	-	5,145,208	5,141,257	-	5,141,257
Other Income	11,530	-	11,530	2,957	-	2,957
Total Support and Revenue	<u>7,669,758</u>	<u>-</u>	<u>7,669,758</u>	<u>7,364,784</u>	<u>-</u>	<u>7,364,784</u>
EXPENSES						
Program Services	6,210,129	-	6,210,129	6,042,511	-	6,042,511
Management and General	385,674	-	385,674	185,481	-	185,481
Fundraising	317,226	-	317,226	304,261	-	304,261
Total Expenses	<u>6,913,029</u>	<u>-</u>	<u>6,913,029</u>	<u>6,532,253</u>	<u>-</u>	<u>6,532,253</u>
CHANGE IN NET ASSETS	756,729	-	756,729	832,531	-	832,531
Net Assets - Beginning of Year	<u>2,454,221</u>	<u>-</u>	<u>2,454,221</u>	<u>1,621,690</u>	<u>-</u>	<u>1,621,690</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,210,950</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,210,950</u></u>	<u><u>\$ 2,454,221</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,454,221</u></u>

See accompanying Notes to Financial Statements.

**THE OPEN DOOR
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022				2021			
	Program Services	Management and General	Fundraising	Total Functional Expenses	Program Services	Management and General	Fundraising	Total Functional Expenses
EXPENSES								
In-Kind Food Assistance	\$ 5,110,389	\$ -	\$ -	\$ 5,110,389	\$ 5,192,161	\$ 1,520	\$ -	\$ 5,193,681
Compensation	417,131	175,000	200,195	792,326	398,136	66,571	192,866	657,573
Payroll Taxes	37,224	18,612	18,612	74,448	37,329	6,380	18,083	61,792
IRA Plan Contributions	8,588	4,294	4,294	17,176	9,280	1,586	4,495	15,361
Occupancy	220,267	74,706	2,080	297,053	182,865	18,645	-	201,510
Office Expenses	33,501	26,298	46,791	106,590	51,457	25,691	47,705	124,853
Depreciation	33,912	-	-	33,912	39,418	-	-	39,418
Insurance	12,044	11,492	-	23,536	10,583	11,749	-	22,332
Travel	59,296	2,330	2,934	64,560	47,401	685	1,203	49,289
Garden to Table	17,616	-	-	17,616	12,513	-	-	12,513
Technology	-	20,714	1,000	21,714	6,142	16,107	246	22,495
Conferences, Conventions, and Meetings	1,769	867	298	2,934	2,820	75	45	2,940
Program Outreach/Recognition	9,920	3,832	1,851	15,603	961	1,787	27,436	30,184
Accounting Fees	-	14,273	-	14,273	-	11,105	-	11,105
Legal Fees	-	500	-	500	-	-	-	-
Fundraising Expenses	977	618	21,835	23,430	-	-	-	-
Mobile & Pantry	211,507	-	-	211,507	40,085	-	-	40,085
Advertising	-	-	1,292	1,292	-	185	983	1,168
Miscellaneous	13,569	7,857	7,537	28,963	10,265	5,829	7,786	23,880
Other Professional Fees	22,419	24,281	8,507	55,207	1,095	17,566	3,413	22,074
Total Expenses	<u>\$ 6,210,129</u>	<u>\$ 385,674</u>	<u>\$ 317,226</u>	<u>\$ 6,913,029</u>	<u>\$ 6,042,511</u>	<u>\$ 185,481</u>	<u>\$ 304,261</u>	<u>\$ 6,532,253</u>

See accompanying Notes to Financial Statements.

**THE OPEN DOOR
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 756,729	\$ 832,531
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	33,912	39,418
Amortization of ROU Assets, Financing Lease	287	
Loss on Disposal of Property and Equipment	-	188
Donated Property and Equipment	(66,003)	-
Noncash Additions of Property and Equipment	(792,435)	-
PPP Loan Forgiveness	-	(92,900)
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(62,491)	1,500
Inventory	15,759	1,350
Prepaid Expenses and Other Assets	(22,850)	(915)
Accounts Payable	358,821	(3,305)
Accrued Expenses and Other Liabilities	29,084	(3,904)
Deferred Rent	-	(8,133)
Right-of-Use Assets and Liabilities	541,482	-
Net Cash Provided by Operating Activities	792,295	765,830
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(151,342)	(29,394)
Net Cash Used by Investing Activities	(151,342)	(29,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Financing Lease	(261)	-
Net Cash Used by Financing Activities	(261)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	640,692	736,436
Cash and Cash Equivalents - Beginning of Year	2,219,294	1,482,858
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,859,986	\$ 2,219,294
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Purchase of Equipment Included in Accounts Payable	\$ 292,435	\$ -

See accompanying Notes to Financial Statements.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Open Door (the Organization) is a hunger relief organization dedicated to ending local hunger through access to healthy food. Through its collective programs, The Open Door serves low-income, food-insecure individuals and families who live in Dakota County and distributed over 2.8 million pounds of food in 2022, more than half of which is fresh and/or perishable. Clients are able to access healthy food choices through a fixed-site food pantry in Eagan, multiple Mobile Pantry sites, the Mobile Lunchbox, and the Garden to Table program.

Financial Statement Presentation

Net assets, support, revenue, expenses, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Resources over which the board of directors has discretionary control.

Net Assets With Donor Restrictions – Net assets subject to donor restrictions that will be satisfied either by the passage of time or by actions of the Organization. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization has no net assets with donor restrictions as of December 31, 2022 and 2021.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivables

Accounts receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. Accordingly, the Organization accounts for uncollectible accounts by the reserve method, which is based on management's judgment considering historical information. At December 31, 2022 and 2021, the allowance was \$-0-.

Inventory

Inventory consists of food shelf inventory. Food shelf inventory represents perishable and nonperishable food and other consumer products on hand at year-end. Items have either been purchased by The Open Door or donated. At December 31, 2022 and 2021, items are valued at an average cost per pound of \$1.79 and \$1.74, respectively.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost or fair value if contributed. Individual items costing more than \$1,500 are capitalized. Depreciation expense is computed using the straight-line method over estimated useful lives.

Contributions

Grants and contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are recognized at fair value when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recorded when the condition has been satisfied.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions only if the restrictions are satisfied during the year in which the contributions were recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets with donor restrictions are released to net assets without donor restrictions.

Revenue Recognition

Revenue related to special programs is recognized at the time the programs take place or the services are performed. Revenue that is received for future periods is recorded as deferred revenue and recognized in the periods to which the service relates.

In-Kind Donations

Contributions of noncash assets (materials, equipment, and services) are recorded at their fair values in the period received. During the years ended December 31, 2022 and 2021, in-kind contributions were \$5,145,208 and \$5,141,257, respectively.

Governmental Grants and Contracts

Governmental grants and contract funds are recorded when revenue is earned. Revenue is earned when eligible expenditures, as defined by each grant or contract, are made. As of December 31, 2022 and 2021, the Organization had \$-0- and \$363,310, respectively, of available expenditures on existing government grants. This amount is considered to be conditional and will be recognized as revenue when eligible expenditures are incurred. Expenditures under governmental contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Allocation of Expenses

The Organization's costs of providing its various services have been classified on a program basis in the statements of activities. Accordingly, certain costs have been allocated among the program and support services benefited. Expenses are charged directly to programs and support services where possible. Remaining expenses are allocated based on actual time spent on programs and support services.

THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization determines if an arrangement is a lease at inception. Leases are reported on the balance sheets as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state statutes and is generally not subject to income taxes. It has been classified as an organization that is not a private foundation under the IRC. Charitable contributions by donors are tax deductible.

The Organization follows the income tax standard regarding the recognition and measurement of uncertain tax positions. The Organization's tax returns are subject to review by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of Right-of-Use (ROU) Assets and Lease Liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line in the statement of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category and depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions, and valuation techniques.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 26, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 LIQUIDITY (CONTINUED)

The Organization's board of directors approve an annual budget and work in concert with the Finance Committee who monitors financial activities and cash flow on a monthly basis. The Organization strives to maintain financial assets available to meet general expenditures at a level that allows for a positive annual cash flow with the long-term goal of beginning each fiscal year with 120 days cash on hand.

The table below presents liquid financial assets available for general expenditures within one year at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 2,859,986	\$ 2,219,294
Accounts Receivable	<u>64,241</u>	<u>1,750</u>
Liquid Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,924,227</u>	<u>\$ 2,221,044</u>

NOTE 3 ACCOUNTS RECEIVABLE

As of December 31, 2022 and 2021, the Organization had accounts receivable balances of \$64,241 and \$1,750, respectively, and these were fully expected to be collected within the next 12 months. Accordingly, the Organization has an allowance for doubtful accounts of \$-0- as of December 31, 2022 and 2021, and has determined that no discount is necessary.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consists of the following:

	<u>2022</u>	<u>2021</u>
Leasehold Improvements	\$ 870,704	\$ 132,564
Vehicles	145,442	140,672
Furniture and Equipment	189,966	97,456
Software	<u>47,575</u>	<u>5,780</u>
Total Property and Equipment	1,253,687	376,472
Less: Accumulated Depreciation	<u>(156,476)</u>	<u>(255,129)</u>
Property and Equipment, Net	<u>\$ 1,097,211</u>	<u>\$ 121,343</u>

Depreciation expense was \$33,912 and \$31,082 for the years ended December 31, 2022 and 2021, respectively.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 IN-KIND CONTRIBUTIONS

The Open Door received donated food, professional services, and other materials as follows during the years ended December 31:

	Program Services	Management and General	Fundraising and Development	Total
<u>December 31, 2022</u>				
Food Donations	\$ 2,565,899	\$ -	\$ -	\$ 2,565,899
Purchased Food Discount	2,481,896	-	-	2,481,896
Professional Services	8,089	2,369	-	10,458
Rent	-	16,800	-	16,800
Supplies	-	4,152	-	4,152
Total	<u>\$ 5,055,884</u>	<u>\$ 23,321</u>	<u>\$ -</u>	<u>\$ 5,079,205</u>
Capitalized Office Furniture				66,003
Total Donated Professional Services and Materials				<u>\$ 5,145,208</u>
<u>December 31, 2021</u>				
Food Donations	\$ 4,900,113	\$ -	\$ -	\$ 4,900,113
Purchased Food Discount	223,238	-	-	223,238
Professional Services	1,106	-	-	1,106
Rent	-	16,800	-	16,800
Supplies	-	-	-	-
Total	<u>\$ 5,124,457</u>	<u>\$ 16,800</u>	<u>\$ -</u>	<u>\$ 5,141,257</u>

The Organization recognized contributed nonfinancial assets within revenue, including contribute food, food discounts, professional services, rent, furniture, and other supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Open Door receives food donations from various retailers and donors throughout the year. The donated food is recorded in the financial statements as in-kind support and as expense at the estimated fair value of one pound of donated food product at the national level of \$1.79 and \$1.74, for the years ended December 31, 2022 and 2021, respectively.

In addition to food donations, The Open Door also receives discounts on food purchased for their food pantry. In-kind revenue is recorded for the difference between the per pound value of \$1.79 and \$1.74 for the years ended December 31, 2022 and 2021, respectively, and the amount the Organization paid for the food.

Donated professional services primarily consist of auto repair services. These services are valued and reported at their estimated fair value in the financial statements, which is communicated to the Organization by the service provider.

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 IN-KIND CONTRIBUTIONS (CONTINUED)

Donated rent is recorded for the office space used by The Open Door during the years ended December 31, 2022 and 2021. The value of the rent is recorded based on an expired lease agreement between the space owner and The Open Door. As of December 31, 2022, the Organization no longer occupies this space.

Office supplies and other furniture donated to the Organization are valued at their estimated fair market value based on current market rates for similar goods.

NOTE 6 LEASES

The Organization leases space for their food pantry in Eagan under a noncancelable lease agreement that expires on July 31, 2030 with the option to extend the lease for an additional term of three years. The Organization also leases a vehicle with a 60-month term and \$1,700 monthly minimum lease payments due through July 31, 2025. In addition, the Organization entered into a copier lease with a 60-month term and \$315 monthly minimum lease payments due through November 23, 2027.

The following table provides the Organization's right-of-use assets and lease liabilities for the year ended December 31, 2022.

Right of Use Assets:	
Financing Leases, Net	\$ 16,666
Operating Leases, Net	1,027,738
Total	<u>\$ 1,044,404</u>
Lease Liabilities:	
Current:	
Financing Leases	\$ 3,199
Operating Leases	29,778
Noncurrent:	
Financing Leases	13,774
Operating Leases	1,539,161
Total	<u>\$ 1,585,912</u>

**THE OPEN DOOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 LEASES (CONTINUED)

The following table provides quantitative information concerning the Organization's leases for the year ended December 31, 2022:

Finance Lease Costs:	
Amortization of ROU Assets	\$ 287
Interest on Lease Liabilities	54
Operating Lease Costs	<u>61,908</u>
Total	<u>\$ 62,249</u>

Other Information:	
Operating Cash Flows from Finance Leases	\$ 54
Operating Cash Flows from Operating Leases	20,400
Financing Cash Flows from Finance Leases	261
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liability	\$ 17,235
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability	\$ 1,071,594

Weighted Average Remaining Lease Term - Finance Leases	4.8 Years
Weighted Average Remaining Lease Term - Operating Leases	10.3 Years
Weighted Average Discount Rate - Finance Leases	3.82%
Weighted Average Discount Rate - Operating Leases	3.42%

A maturity analysis of annual undiscounted cash flows for lease liability as of December 31, 2022, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2023	\$ 83,477	\$ 3,780
2024	177,108	3,780
2025	169,734	3,780
2026	169,520	3,780
2027	176,294	3,465
Thereafter	<u>1,130,788</u>	<u>-</u>
Total Lease Payments	1,906,921	18,585
Less: Interest	<u>(337,982)</u>	<u>(1,612)</u>
Present Value of Lease Liabilities	<u>\$ 1,568,939</u>	<u>\$ 16,973</u>



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