

Financial Statements with Report of Independent Auditors Thereon

New Door Ventures

For the Year Ended
December 31, 2021

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NEW DOOR VENTURES
FINANCIAL STATEMENTS
For the year ended December 31, 2021
With Report of Independent Auditors

C O N T E N T S

	Page
Report of Independent Auditors	1-2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial statements	7 – 16

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
New Door Ventures
San Francisco, California

Opinion

We have audited the accompanying financial statements of New Door Ventures (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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 New Door Ventures as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Door Ventures and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 New Door Ventures' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists.

REPORT OF INDEPENDENT AUDITORS, continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

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 generally accepted auditing standards, 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 New Door Ventures' 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 New Door Ventures' 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.

San Francisco, California

SD Mayer & Associates, LLP

San Francisco, California

July 1, 2022

New Door Ventures
Statement of Financial Position
As of December 31, 2021

ASSETS

Assets:	
Cash and cash equivalents	\$ 2,154,960
Investments, at fair value	4,331,834
Accounts receivable, net	111,891
Contracts and grants receivable	181,699
Unconditional promises to give, net	100,000
Prepaid expenses and other assets	311,470
Deposits	2,955
Property and equipment, net of accumulated depreciation and amortization	<u>4,828,402</u>
Total Assets	<u><u>\$ 12,023,211</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	<u>\$ 417,454</u>
Total Liabilities	<u>417,454</u>
Net Assets:	
Without donor restrictions	11,471,108
With donor restrictions	<u>134,649</u>
Total Net Assets	<u>11,605,757</u>
Total Liabilities and Net Assets	<u><u>\$ 12,023,211</u></u>

The accompanying notes are an integral part of these financial statements.

New Door Ventures
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Revenue:			
Government grants	\$ 1,065,827	\$ -	\$ 1,065,827
Investment income	9,578	-	9,578
Fundraising event, net of costs	85,275	-	85,275
Gain on sale of property and equipment	852,632	-	852,632
Other income	18,549	-	18,549
Support:			
Contributions	941,732	-	941,732
In-Kind Donations	1,997	-	1,997
Foundation grants	1,047,200	695,000	1,742,200
PPP loan	733,171	-	733,171
Net assets released from restrictions	560,351	(560,351)	-
Total Revenue and Support	5,316,312	134,649	5,450,961
Expenses:			
Program Services:			
Education	129,579	-	129,579
Youth employment-San Francisco	1,307,600	-	1,307,600
Youth employment-East Bay	1,156,382	-	1,156,382
Total Program Services	2,593,561	-	2,593,561
Supporting Services:			
Fundraising	629,548	-	629,548
General and administrative	587,025	-	587,025
Total Supporting Services	1,216,573	-	1,216,573
Total Expenses	3,810,134	-	3,810,134
Changes in Net Assets	1,506,178	134,649	1,640,827
Net Assets, beginning of year	9,964,930	-	9,964,930
Net Assets, end of year	\$ 11,471,108	\$ 134,649	\$ 11,605,757

The accompanying notes are an integral part of these financial statements.

New Door Ventures
Statement of Cash Flows
For the year ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 1,640,827
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation and amortization	92,155
Provision for bad debts	27,300
PPP loan	(733,171)
Loss (gain) on disposal of property and equipment	(852,632)
Unrealized gain on investments	(2,855)
Non cash contribution of securities	(64,031)
Proceeds from sale of contributed investments	64,031
(Increase) decrease in operating assets:	
Accounts receivable	(83,405)
Contracts and grants receivable	6,811
Unconditional promises to give, net	(100,000)
Prepaid expenses and other assets	87,859
Increase in operating liabilities:	
Accounts payable and accrued expenses	(39,732)
Net cash provided by operating activities	43,157

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from disposal of property and equipment	1,369,739
Purchases of investments and reinvested dividends	(2,586,567)
Proceeds from sale of investments	392,639
Net cash used in investing activities	(824,189)
Net decrease in cash and cash equivalents	(781,032)
Cash and cash equivalents, beginning of year	2,935,992
Cash and cash equivalents, end of year	\$ 2,154,960

Supplementary disclosure of cash flow information:

Cash paid during the year for interest	\$ 25
Non-cash donations	\$ 1,997

The accompanying notes are an integral part of these financial statements.

New Door Ventures
Statement of Functional Expenses
For the year ended December 31, 2021

	Program Services			Supporting Services			Total Expenses	
	Youth		Youth Employment East Bay	Fundraising		General and Administrative		Total Supporting Services
	Education	Employment San Francisco		Program Services	Total			
Personnel	\$ 57,605	\$ 800,370	\$ 764,089	\$ 404,470	\$ 145,835	\$ 550,305	\$ 2,172,369	
Employer payroll taxes	7,855	57,022	54,515	28,861	11,039	39,900	159,292	
Employee benefits	933	85,263	56,083	30,118	23,213	53,331	195,610	
Bad debt	-	-	-	-	27,300	27,300	27,300	
Consultants and outside services	11,801	81,946	72,346	78,776	289,153	367,929	534,022	
Depreciation and amortization	15,273	61,350	-	7,766	7,766	15,532	92,155	
Equipment/repairs	897	4,492	580	2,115	10,768	12,883	18,852	
Fees and dues	50	1,612	496	16,594	1,978	18,572	20,730	
Insurance	4,014	23,130	34,052	10,791	2,750	13,541	74,737	
Maintenance/utilities	16,424	64,776	32	8,905	8,995	17,900	99,132	
Miscellaneous	118	5,326	5,434	(229)	26,778	26,549	37,427	
Occupancy	-	-	12,000	-	52	52	12,052	
Office supplies	81	2,047	2,085	570	5,353	5,923	10,136	
Outreach and promotions	-	125	125	30,534	20,325	50,859	51,109	
Postage and shipping	44	194	102	1,012	64	1,076	1,416	
Printing and copying	-	-	16	-	-	-	16	
Program supplies	420	94,687	135,380	345	-	345	230,832	
Staff and board	11,038	1,700	2,056	159	4,156	4,315	19,109	
Telephone	3,026	20,189	8,812	8,202	1,325	9,527	41,554	
Transportation	-	3,371	8,179	559	175	734	12,284	
Total Expenses	\$ 129,579	\$ 1,307,600	\$ 1,156,382	\$ 629,548	\$ 587,025	\$ 1,216,573	\$ 3,810,134	

The accompanying notes are an integral part of these financial statements.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 1 – ORGANIZATION

Founded in 1981, New Door Ventures (New Door) is a 501(C)(3) tax-exempt organization serving San Francisco and the East Bay. New Door prepares opportunity youth for work and life by providing training in work and life-skills, educational support, individualized case management, and meaningful paid jobs that enable youth to discover and achieve their potential.

In the Bay Area, there are nearly 80,000 opportunity youth -- 16 to 24-year-olds who are currently disconnected from employment, education and the social supports needed for a successful transition to adulthood. Without intervention, these young people are at risk for a number of negative outcomes, including substantial periods of unemployment, homelessness, involvement with the criminal justice system, and poverty.

At New Door Ventures, these youth find an opportunity to change the trajectory of their lives. Interns receive specialized training at their respective job sites, and support in pursuing further education and a healthy and responsible lifestyle. New Door Ventures employs interns at one of 90+ partner businesses and organizations. The New Door high school equivalency program provides individual and small-group instruction to support young people in passing one of several high school equivalency tests, so that they can pursue post-secondary education and training.

The work of New Door Ventures is integral to empowering and transforming the lives of young people, aiming to transform individuals who will in turn transform their communities. New Door Ventures invests with the goal that 85%+ of its graduates will go on to further education and/or meaningful jobs. For additional information, visit www.newdoor.org.

New Door Ventures social enterprises and programs include the following:

Youth Employment helps opportunity youth prepare for work and life so they can discover and use their potential as they successfully transition to adulthood. The program combines the practical work experience, job training, and deep individual support that enables transition aged youth to identify their strengths and abilities, apply them in real-work settings, learn teamwork, accountability, and healthy behaviors, and experience the power of being positive, productive members of their communities.

Education Program helps youth who are not on track to receive a high school diploma earn a GED or other form of high school equivalency. Youth receive individualized teaching of subject content within a social-emotional learning framework, enrichment activities, one-on-one tutoring, and test preparation to support them in achieving high school equivalency.

In the fall 2021, New Door Ventures embarked on a multi-year strategic planning process, to redefine the organization's future, using a new 3-to-5-year strategy that would better contribute to broader advocacy and systems change efforts. The planning process was launched with a desire to grow the scale of future programs to reach significantly more of the region's current Opportunity Youth and equip them not only with first jobs but also with a longer-term pathway that supports them to realize their aspirations.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 1 – ORGANIZATION (continued)

This process which engaged staff, board members, partners, current and former program participants, enabled New Door to revisit its organizational values, update its vision for impact and growth, and ensure it is closely responsive to the evolving landscape within which it operates, such that the organization's unique value-add is clear and collectively owned by New Door's diverse internal and external stakeholders.

This Strategic Plan answers key questions that are central to New Door's 3 strategic goals for 2022-2025:

- Improving youth outcomes
- Increasing organization effectiveness, and
- Scaling efficiently

As New Door emerges from the planning process in Spring of 2022, New Door will have a more explicit focus on economic mobility, extend the length of its employment program, and restructure programmatic staff roles to be more focused. Additionally, New Door will focus on a specific disconnection point, with geographic expansion to follow core program refinement.

These financial statements include the assets, liabilities, net assets and activities of New Door Ventures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The 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 revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of New Door Ventures and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with initial maturities of less than ninety days. Cash and cash equivalents include money market accounts amounting to \$520,869 at December 31, 2021.

Investments

Investments are carried at fair value. Investment return consists of investment income, realized gain (loss) and unrealized gain (loss). Realized and unrealized gain or loss on investments is reflected in the statements of activities.

Revenue Recognition

Contribution revenue is recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give – that is, those with a measurable performance or other barriers and a right of return – are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at fair value at the date of donation. Contributions and investment gains (losses) and income (loss) that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires or a condition is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. All unconditional promises to give, which are expected to be received beyond one year, are discounted to their net present value.

The Organization allocates the transaction price to the specific performance obligations. Revenue from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures, are recognized as revenue when the organization has incurred expenditures in compliance with specific contract or grant provisions or when the performance obligations are met and delivered. No amounts of the transaction price were allocated to unsatisfied performance obligations at December 31, 2021. Amounts received prior to incurring qualifying expenditures are reported as grant and contract advances in the statement of financial position. There were no contract assets or liabilities at December 31, 2021.

All grants and contracts receivable at December 31, 2021 are considered fully collectible.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Goods and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Donated services are recognized as contributions, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

A number of individuals and organizations have made contributions of non-cash assets, professional services, and facilities during 2021. The value of these contributions is recorded in the accompanying financial statements because the criteria for recognition have been satisfied. New Door Ventures recorded \$1,997 of non-cash contributions in the accompanying financial statements for the year ended December 31, 2021. A number of volunteers have made contributions of their time to the Organization. The value of this contributed time is not recorded in the accompanying financial statements because the criteria for recognition have not been satisfied.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fund-raising, general and administrative and the appropriate program based on management's evaluation of the related benefits. Cost allocations were revised upon the discontinuation of the two social enterprises, Ashbury Images and Pedal Revolution. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Fund-raising expenses are associated with encouraging donations from the general public and with events held by the Organization.

Accounts Receivable

Gross accounts receivable amounted to \$139,191 at December 31, 2021. The allowance for doubtful accounts is based on management's evaluation of outstanding accounts receivable at the end of the year. Allowance for doubtful accounts amounted to \$ 27,300 at December 31, 2021. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Compensated Absences

The Organization accrues a liability for vested vacations to which employees are entitled depending on the length of service and other factors. The accompanying financial statements include accrued vacation benefits of \$70,329 at December 31, 2021.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value of Financial Instruments

The fair value of the Organization's financial instruments reflects the amounts that the Organization expects to receive in connection with the sale of an asset or pay in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). Generally Accepted Accounting Principles also established a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 – Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The carrying value of certain financial instruments, including cash and cash equivalents, certificates of deposit, accounts and grants receivable, accounts payable and accrued expenses approximate fair value due to their short-term nature. The carrying value of long-term debt approximates fair value, as the interest rates approximate market rates.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$0 in 2021.

Property and Equipment

Property and equipment purchased is recorded at cost. Assets acquired by contribution or bequest are stated at estimated fair value at the date of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements. Maintenance and repairs are charged to expense as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related depreciation are removed from the accounts and any gain or loss is included in operations. The Organization capitalizes all property and equipment acquisitions in excess of \$2,000.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment (continued)

The estimated useful lives of property and equipment are principally as follows:

Buildings and improvements	10-39 years/term of lease (for rented properties)
Office/production equipment	2-10 years
Furniture and fixtures	3-10 years

The Organization's management reviews long-lived tangible and intangible assets with definite lives for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount to future undiscounted cash flows the assets are expected to generate. The Organization considers historical performance and future estimated results in its evaluation of impairment. No impairment has been realized or recorded for the year ended December 31, 2021.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of grants and accounts receivable, useful lives for determining depreciation of property and equipment, valuation of investments, donated goods and services, accrued expenses, and the allocation of functional expenses.

Revenue Recognition

Revenues on product sales are recognized upon shipment and receipt of payment is reasonably assured. Revenues on repair and installation services are recognized when the services are completed.

Recent Accounting Pronouncements

In February 2016, the FASB issued an accounting pronouncement (FASB ASU 2016-02) related to the accounting for leases. This pronouncement requires lessees to record most leases on their balance sheet, while expense recognition on the income statement remains similar to current lease accounting guidance. Under the new guidance, lease classification as either a finance lease or an operating lease will determine how lease-related revenue and expense are recognized. Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. In November 2019, FASB issued ASU 2019-10 which deferred the effective date by one year for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. In June 2020, FASB issued ASU 2020-05 which deferred the effective date by one year for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is currently evaluating the effect of ASU 2016-02 on its financial statements.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

In June 2016, the FASB issued Accounting Standards Update No. ASU 2016-13, “*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*”. This amendment requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326) which provides amendments to ASU No. 2016-13 and defers the effective date to years beginning after December 15, 2021. The Organization is evaluating the effect that ASU No. 2016-13 will have on its financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. The Organization is evaluating the impact of this ASU on its financial reporting.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

In 2021, the Organization had \$6,880,384 of financial assets available within one year from the statement of financial position date to meet cash needs for general expenditures consisting of substantially cash and cash equivalents of \$2,154,960, net accounts receivable of \$111,891, contracts and grants receivable of \$181,699, and investments of \$4,331,834. Financial assets amounting to \$134,649 are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet at least twelve months of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 4 – INVESTMENTS

The following table represents New Door Ventures’ fair value hierarchy for its financial assets measured at fair value using available quoted prices as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	\$ -	\$ 250,000	\$ -	\$ 250,000
Fixed Income Securities	-	4,035,304	-	4,035,304
Cash Equivalents	15,455	-	-	15,455
Equity Securities	31,075	-	-	31,075
Total	\$ 46,530	\$ 4,285,304	\$ -	\$ 4,331,834

Investment income amounted to \$9,578 for year ended December 31, 2021.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment; at cost less accumulated depreciation, at December 31, 2021:

Land and buildings	\$	3,908,413
Improvements		2,128,794
Furniture and fixtures		181,115
Office/production equipment		412,145
		6,630,467
Less: accumulated depreciation		(1,802,065)
Total	\$	4,828,402

Total depreciation of all property and equipment amounted to \$92,155 for the year ended December 31, 2021.

On February 12, 2021, New Door received and accepted an offer to sell the building for \$1,475,000. The final escrow's date was June 23, 2021, and the final sale price was \$1,475,000. Net proceeds from the sale were \$1,369,739 and net gain from the sale of property and equipment was \$852,632.

NOTE 6 – UNCONDITIONAL PROMISES TO GIVE

New Door Ventures records unconditional promises to give from foundations and individuals at their net present value, net of allowance for doubtful amounts of \$0 and 0% discount at December 31, 2021.

Unconditional promises to give are expected to be received as follows as of December 31, 2021:

Promises to give in less than one year	\$	100,000
Promises to give in one to five years		-
Total promises to give		100,000
Less unamortized discount		-
Net promises to give	\$	100,000

NOTE 7 – CONCENTRATIONS

The Organization maintains its cash balances at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to \$250,000. The Organization had uninsured balances of \$1,592,539 at December 31, 2021.

As of December 31, 2021, two donors accounted for 100% of New Door promises to give amounting to \$100,000. In 2021, one major donor accounted for 11% of New Door contributions revenue.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 8 – LEASE COMMITMENTS

The Organization had a sublease agreement for office space in Oakland, California. The lease term was from January 1, 2021 to December 31, 2021 at a monthly rent of \$1,000. Rent expense amounted to \$12,000 for the year ended December 31, 2021.

NOTE 9 – PENSION PLAN

The Organization has a 403(b) deferred compensation plan covering eligible employees who meet certain criteria as defined in the Plan. The Organization may make a matching contribution up to 100% of employee’s elective deferrals but not exceeding 4% of the employee’s compensation. The Organization contributed \$43,355 during the year ended December 31, 2021.

The Organization had a 457(b) deferred compensation plan for its former Chief Executive Officer (CEO) to which it contributed annually during the former CEO’s employment. The former CEO retired at the beginning of 2020. The Organization recorded an accrual for deferred compensation in the accompanying statement of financial position at its present value of approximately \$377,000 (discounted at 3%) with an annual payout of \$100,000 in 2020; \$120,000 in 2021; and \$170,000 in 2022. Deferred compensation amounted to \$186,636 at December 31, 2021.

NOTE 10 – LONG-TERM DEBT

On May 1, 2020, New Door Ventures received loan proceeds in the amount of \$733,171 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. New Door Ventures used the proceeds for purposes consistent with the PPP. The Organization received forgiveness of the full amount on September 12, 2021 and recorded the PPP in revenue and support during 2021 in the statement of activities and changes in net assets.

NOTE 11 – RELATED PARTY TRANSACTIONS

A number of members of the board of directors made contributions to support the Organization’s youth development program. Contributions received in 2021 amounted to approximately \$165,886. The Organization has a contribution receivable of \$24,000 from board members at December 31, 2021.

NOTE 12 – DONATED GOODS AND SERVICES

The Organization recognized contribution revenue for in-kind donations received at their estimated fair values for the following:

Miscellaneous Small Gift Items	<u>\$ 1,997</u>
Total	<u>\$ 1,997</u>

These in-kind donations benefited the Organization’s program and supporting services.

New Door Ventures
Notes to financial statements
For the year ended December 31, 2021

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions amounted to \$134,649 at December 31, 2021. Net assets with donor restrictions of \$560,351 were released from donor restrictions during 2021 and were related to the youth program.

NOTE 14 – INCOME TAXES

New Door Ventures was incorporated under the laws of the State of California and granted tax-exempt status by the Internal Revenue Service under Section 501(c)(3) and by the California Franchise Tax Board under Section 23701(d) of the California Revenue and Taxation Code. New Door Ventures is generally no longer subject to tax examinations relating to federal and state tax returns for years prior to 2017. New Door Ventures has been classified as an organization that is not a private foundation under Section 509(a)(1) and has been designated as a “publicly supported” organization under Section 170(b)(1)(A)(vi) of the Code. New Door Ventures assesses its accounting for uncertainty in income taxes recognized in its financial statements and prescribes a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in the tax returns. There was no material impact on the financial statements as a result of the adoption of this policy.

NOTE 15 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events for recognition and disclosure through July 1, 2022, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021 that required recognition or disclosure in the financial statements.