SD Mayer & Associates, LLP
235 Montgomery Street, 26th Floor
San Francisco, CA 94104

415-691-4040 Main
sdmayer.com

SDMAYER
accounting + advisory for life

NEW DOOR VENTURES

FINANCIAL STATEMENTS

For the year ended December 31, 2023

With Report of Independent Auditors

CONTENTS

SD Mayer & Associates, LLP
235 Montgomery Street, 26th Floor
San Francisco, CA 94104

415-691-4040 Main
sdmayer.com

SDMAYER
accounting + advisory for life

INDEPENDENT AUDITORS' REPORT

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, 2023, 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, 2023, 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.

SD Mayer & Associates, LLP
235 Montgomery Street, 26th Floor
San Francisco, CA 94104

415-691-4040 Main
sdmayer.com

SDMAYER
accounting + advisory for life

INDEPENDENT AUDITORS' REPORT, 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.

S D Mayer & Associates, LLP

San Francisco, California

June 11, 2024

New Door Ventures
Statement of Financial Position
As of December 31, 2023

ASSETS

Assets:		
Cash and cash equivalents	$	666,364
Investments, at fair value		7,113,840
Contracts and grants receivable		264,995
Unconditional promises to give		213,220
Prepaid expenses and other assets		29,547
Deposits		38,106
Operating lease right of use asset		471,177
Property and equipment, net of accumulated depreciation and amortization		4,638,759
Total Assets	$	13,436,008

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	320,006
Operating lease liability		490,432
Total Liabilities		810,438
Net Assets:		
Without donor restrictions		12,405,570
With donor restrictions		220,000
Total Net Assets		12,625,570
Total Liabilities and Net Assets	$	13,436,008

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Revenue:			
Government grants	$ 1,146,549	$ -	$ 1,146,549
Support:			
Contributions	807,236	35,000	842,236
In-Kind Donations	61,686	-	61,686
Foundation grants	3,225,282	185,000	3,410,282
Net assets released from restrictions	350,000	(350,000)	-
Total Revenue and Support	5,590,753	(130,000)	5,460,753
Expenses:			
Program Services:			
Education	295,100	-	295,100
Youth employment-San Francisco	1,558,640	-	1,558,640
Youth employment-East Bay	1,454,474	-	1,454,474
Transitional services	459,916	-	459,916
Total Program Services	3,768,130	-	3,768,130
Supporting Services:			
Fundraising	872,995	-	872,995
General and administrative	425,771	-	425,771
Total Supporting Services	1,298,766	-	1,298,766
Total Expenses	5,066,896	-	5,066,896
Changes in Operating Net Assets	523,857	(130,000)	393,857
Net investment gain	193,821	-	193,821
Changes in Net Assets	717,678	(130,000)	587,678
Net Assets, beginning of year	11,687,892	350,000	12,037,892
Net Assets, end of year	$ 12,405,570	$ 220,000	$ 12,625,570

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

New Door Ventures
Statement of Cash Flows
For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$	587,678
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization		95,307
Net investment loss (gain)		(201,285)
Non cash contribution of securities		(37,543)
Proceeds from sale of contributed securities		37,543
Operating lease right of use asset		108,733
(Increase) decrease in operating assets:		
Contracts and grants receivable		(29,510)
Unconditional promises to give		381,555
Prepaid expenses and other assets		(28,200)
Increase in operating liabilities:		
Accounts payable and accrued expenses		(41,518)
Operating Lease Liability		(89,478)
Net cash provided by operating activities		783,282
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments		(4,635,757)
Proceeds from sale of investments		3,149,280
Net cash used in investing activities		(1,486,477)
Net decrease in cash and cash equivalents		(703,195)
Cash and cash equivalents, beginning of year		1,369,559
Cash and cash equivalents, end of year	$	666,364
Supplementary disclosure of cash flow information:		
Cash paid during the year for interest	$	203
Non-cash donations	$	61,686

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

New Door Ventures
Statement of Functional Expenses
For the year ended December 31, 2023

	Program Services					Supporting Services			
	Education	Youth Employment San Francisco	Youth Employment East Bay	Transitional Services	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Personnel	$ 175,140	$ 1,067,779	$ 912,700	$ 311,419	$ 2,467,038	$ 523,093	$ 144,428	$ 667,521	$ 3,134,559
Employer payroll taxes	17,183	77,234	66,324	22,680	183,421	40,376	9,855	50,231	233,652
Employee benefits	19,302	109,619	90,685	29,186	248,792	36,973	79,774	116,747	365,539
Conferences	-	-	-	-	-	-	266	266	266
Consultants and outside services	17,808	87,360	99,311	24,115	228,594	60,437	60,244	120,681	349,275
Depreciation and amortization	14,090	60,082	-	7,045	81,217	7,045	7,045	14,090	95,307
Equipment/repairs	1,700	7,133	5,864	1,061	15,758	791	5,857	6,648	22,406
Events Expenses	-	-	-	-	-	87,077	-	87,077	87,077
Fees and dues	652	(2,528)	(374)	1,692	(558)	8,849	9,223	18,072	17,514
Insurance	5,460	19,066	33,641	11,106	69,273	7,306	1,698	9,004	78,277
Interest	-	-	203	-	203	-	-	-	203
Maintenance/utilities	6,227	28,350	11,892	3,642	50,111	3,951	2,883	6,834	56,945
Miscellaneous	2,026	4,188	7,529	6,327	20,070	5,567	22,489	28,056	48,126
Occupancy	44	162	133,609	45	133,860	-	5,393	5,393	139,253
Office supplies	1,092	4,510	8,955	756	15,313	3,375	10,624	13,999	29,312
Outreach and promotions	-	(60)	914	4,725	5,579	80,617	8,803	89,420	94,999
Postage and shipping	54	144	540	78	816	189	682	871	1,687
Printing and copying	-	-	11	-	11	315	-	315	326
Program supplies	2,806	44,015	44,392	25,614	116,827	-	1,842	1,842	118,669
Staff and board	22,539	14,673	13,782	961	51,955	1,363	35,700	37,063	89,018
Telephone	5,024	19,936	16,472	4,811	46,243	5,470	9,873	15,343	61,586
Transportation	3,953	16,977	8,024	4,653	33,607	201	9,092	9,293	42,900
Total Expenses	$ 295,100	$ 1,558,640	$ 1,454,474	$ 459,916	$ 3,768,130	$ 872,995	$ 425,771	$ 1,298,766	$ 5,066,896

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

New Door Ventures
Notes to financial statements
For the year ended December 31, 2023

NOTE 1 – ORGANIZATION

Founded in 1981, New Door Ventures ("New Door" or "Organization") 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 tens of thousands 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 100+ 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 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.
>
> **Transitional Services** offers two programs: Introduction to Skilled Trades (I2ST) and Career Search Accelerator. I2ST offers vocational training courses designed for success in a structured career pathway, encompassing a variety of hands-on disciplines, including automotive, machining, welding and more, to meet the requirements of in-demand job opportunities. Career Search Accelerator offers short-term intensives for career planning, supported by workshops, panels, excursions, and individualized guidance.

NOTE 1 – ORGANIZATION (continued)

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 of economic mobility.

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 three strategic goals for 2022-2025:

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

As New Door emerged from the planning process in Spring of 2022, New Door has a more explicit focus on economic mobility, extended the length of its employment program, and restructured 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Basis of Accounting (continued)</u>

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.

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.

<u>Cash and Cash Equivalents</u>

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. Money market accounts, included in cash and cash equivalents, amounted to $111,831 at December 31, 2023.

<u>Investments</u>

Investments are carried at fair value. Investment return consists of investment income, realized gain (loss) and unrealized gain (loss). Net investment income (loss) is reflected in the statement of activities and changes in net assets.

<u>Revenue Recognition</u>

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.

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. Amounts received prior to incurring qualifying expenditures are reported as grant and contract advances in the statement of financial position. There were no contract advances or contract liabilities at December 31, 2023 and January 1, 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contracts and grants receivable amounted to $264,995 at December 31, 2023 and are considered fully collectible. Contracts and grants receivable amounted to $235,485 at January 1, 2023.

Donated Goods and Services and other

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 2023. The value of these contributions is recorded in the accompanying financial statements because the criteria for recognition have been satisfied. New Door Ventures recorded $61,686 of non-cash contributions in the accompanying financial statements for the year ended December 31, 2023. 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 and changes in net assets. Costs are allocated between fund-raising, general and administrative and the appropriate program based on management's evaluation of the related benefits. 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 $0 at December 31, 2023. 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 was $0 at December 31, 2023. 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. Gross accounts receivable amounted to $0 at January 1, 2023.

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 $127,346 at December 31, 2023.

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 $20,122 in 2023.

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.

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, 2023.

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.

Leases

ASC 842, "Leases", requires entities to recognize right-of-use ("ROU") assets and lease liabilities for operating and finance leases. The ROU represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of these criteria.

The right-of-use asset is initially measured at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is reviewed for impairment periodically. The Organization elected to use a risk-free discount rate of 3.99%, which is based on the 5-year Treasury yield curve rate as of the lease commencement date, to determine the present value of the lease payments.

Lease expense for operating leases consists of the lease payments plus any initial direct costs and is recognized on a straight-line basis over the lease term. Lease expense for finance leases consists of the amortization of the right-of-use asset on a straight-line basis over the lease term and interest expense determined on an amortized cost basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Organization elected the practical expedient to account for lease components and non-lease components as a single lease component. The Organization is currently not party to any finance leases. The Organization does not record leases in the statement of financial position that are classified as short term (less than one year). Short-term lease cost for operating leases with a term of less than 12 months are included in rent expense.

Recently Adopted 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 adopted ASU 2016-02 on its financial statements as of January 1, 2022 and recorded a right of use asset and a lease liability.

Recent Accounting Pronouncements

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. The effective date of this ASU is for years beginning after December 15, 2022. The adoption of this standard did not have a material effect on the Organization's financial statements.

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 adoption of this standard did not have a material effect on the Organization's financial statements.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

In 2023, the Organization had $8,258,419 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 $666,364, contracts and grants receivable of $264,995, Unconditional promises to give of $213,220, and investments of $7,113,840. Financial assets amounting to $220,000 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 cash and cash equivalents on hand to meet at least six 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, 2023:

	Level 1	Level 2	Level 3	Total
Fixed Income Securities	$ -	$ 7,094,941	$ -	$ 7,094,941
Cash Equivalents	13,634	-	-	13,634
Equity Securities	5,265	-	-	5,265
Total	$ 18,899	$ 7,094,941	$ -	$ 7,113,840

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment; at cost less accumulated depreciation, at December 31, 2023:

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	(1,991,708)
Total	$ 4,638,759

Total depreciation of all property and equipment amounted to $95,307 for the year ended December 31, 2023.

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, 2023.

Unconditional promises to give are expected to be received as follows as of December 31, 2023:

Promises to give in less than one year	$	163,220
Promises to give in one to five years		50,000
Total promises to give		213,220
Less unamortized discount		-
Net promises to give	$	213,220

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 $446,343 at December 31, 2023.

As of December 31, 2023, two donors accounted for 84% of New Door's unconditional promises to give amounting to $213,220. In 2023, one major donor accounted for 15% of New Door contributions revenue.

NOTE 8 – OPERATING LEASES

The Organization had a lease agreement for office space in Oakland, California. In October 24, 2022, a new lease was signed with a commencement date in February 2023 due to leasehold improvements that should be made before the space can be occupied. The term of the lease is five (5) years with monthly rent payments ranging from $10,107 to $11,716. The Organization implemented ASC 842 effective in 2022 and resulted in recording an operating lease right of use asset and a lease liability.

Operating lease expense amounted to $139,252 for the year ended December 31, 2023.

Supplemental information related to the operating lease as of December 31, 2023 is as follows:

Operating lease right of use asset	$	471,177
Operating lease liability - short term		96,505
Operating lease liability - long term		393,927
Total operating lease liability	$	490,432
Weighted average discount rate		3.99%
Weighted average remaining lease term (in years)		4

NOTE 8 – OPERATING LEASES (continued)

The maturities of operating lease liabilities as of December 31, 2023 were as follows:

Years ending:		
December 31, 2024	$	114,512
December 31, 2025		117,948
December 31, 2026		121,486
December 31, 2027		136,505
December 31, 2028		46,868
Total minimum lease payments		537,319
Less amount representing interest		(46,887)
Present value of lease liability		490,432
Less current portion of lease liability		(96,505)
Lease liability - long term	$	393,927

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 $52,434 during the year ended December 31, 2023.

NOTE 10 – 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 2023 from related parties amounted to approximately $127,034. The Organization had no contribution receivable from board members at December 31, 2023.

NOTE 11 – DONATED ITEMS

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

Donated Securities	$	37,543
Legal Services		16,298
Special Events		7,845
Total Donated Items	$	61,686

These donated items benefited predominantly the Organization's youth employment program.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions amounted to $220,000 at December 31, 2023. Net assets with donor restrictions of $350,000 were released from donor restrictions during 2023 and were related to the youth program.

NOTE 13 – 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 2019. 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 this policy.

NOTE 14 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events for recognition and disclosure through June 11, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2023 that required recognition or disclosure in the financial statements.