



FINANCIAL STATEMENTS

June 30, 2025

OPEN DOORS, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Open Doors, Inc.
Harrisonburg, Virginia

We have reviewed the accompanying financial statements of Open Doors, Inc. (a Virginia nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Open Doors, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Beachy Arehart PLLC

Harrisonburg, Virginia
November 26, 2025

OPEN DOORS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2025
(See Independent Accountant's Review Report)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 227,599
Prepaid expenses	3,407
TOTAL CURRENT ASSETS	<u>231,006</u>

PROPERTY AND EQUIPMENT, NET

33,994

TOTAL ASSETS

\$ 265,000

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,614
Accrued expenses	21,788
TOTAL CURRENT LIABILITIES	<u>25,402</u>

NET ASSETS

Without donor restrictions	<u>239,598</u>
TOTAL NET ASSETS	<u>239,598</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 265,000

OPEN DOORS, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025
(See Independent Accountant's Review Report)

NET ASSETS WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUE

Contributions	\$ 277,616
Grants	262,752
In-kind contributions	254,117
Fundraising	77,739
Investment income	<u>6,612</u>
TOTAL SUPPORT AND REVENUE	<u>878,836</u>

EXPENSES

Program	720,419
General and administrative	116,192
Fundraising	<u>62,687</u>
TOTAL EXPENSES	<u>899,298</u>

CHANGE IN NET ASSETS (20,462)

NET ASSETS AT BEGINNING OF YEAR 260,060

NET ASSETS AT END OF YEAR \$ 239,598

OPEN DOORS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025
(See Independent Accountant's Review Report)

	SHELTER PROGRAM	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
Salaries and benefits	\$ 364,286	\$ 59,196	\$ 31,875	\$ 455,357
Occupancy	152,515	24,784	13,345	190,644
Shelter expenses	106,598	-	-	106,598
Other	50,147	7,429	4,334	61,910
Operational and maintenance	22,190	3,606	1,942	27,738
Telephone, internet and website	12,217	3,584	489	16,290
Office supplies	7,465	4,976	-	12,441
Legal and professional	-	11,016	-	11,016
Food Truck Fest	-	-	10,536	10,536
Insurance	1,781	905	141	2,827
Depreciation	2,041	454	25	2,520
Professional development	1,179	242	-	1,421
	<u>\$ 720,419</u>	<u>\$ 116,192</u>	<u>\$ 62,687</u>	<u>\$ 899,298</u>

See accompanying notes to financial statements.

OPEN DOORS, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025
(See Independent Accountant's Review Report)

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributions	\$ 277,616
Cash received from grants	77,739
Cash received from fundraising	262,752
Cash received from other income	6,612
Cash paid to and on behalf of employees	(449,711)
Cash paid to suppliers	<u>(187,741)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(12,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(29,124)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(29,124)</u>
NET DECREASE IN CASH	(41,857)
CASH AT BEGINNING OF YEAR	<u>269,456</u>
CASH AT END OF YEAR	<u>\$ 227,599</u>

See accompanying notes to financial statements.

OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(See Independent Accountant's Review Report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization does not maintain any donor restricted net assets.

Nature of Activities

The mission of Open Doors, Inc. (the Organization) is to provide safe shelter for the unhoused, as well as compassionate support and access to services for all in the Harrisonburg and Rockingham community.

In November 2024, Open Doors operated a temporary shelter for 40 individuals until they later transitioned to a permanent shelter that provides overnight accommodations for 80 individuals, thanks to the public-private partnership they entered into with the City of Harrisonburg in February 2024. The facility, named the Navigation Center, also enables Open Doors to operate a daytime drop-in center open to both housed and unhoused individuals in the community, providing access to essentials such as laundry facilities and showers, as well as broader resource navigation. It is home to seven operational partnerships led by Open Doors.

Services are made possible by contributions, grants, and fundraising proceeds. In addition, volunteers provide their time, and other in-kind donations to the programs.

The Organization, which was originally known as HARTS (Harrisonburg and Rockingham Thermal Shelter), was founded in 2007 as a 501(c)3 not-for-profit corporation. In 2013, the Organization officially changed its name to Open Doors, Inc. During the year ended June 30, 2025, the Organization employed an executive director, an administrative director, an operations manager, a development director, a resource coordinator, and support specialists, who ensure the safe operations of the shelter and other programs. The Organization's main office is located in the Navigation Center in Harrisonburg.

Recognition of Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions with restrictions that are received and expended in the same year are classified as contributions without donor restrictions.

Advertising

The Organization follows a policy of charging the costs of advertising to expense as incurred.

OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(See Independent Accountant's Review Report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are considered to be all unrestricted, highly liquid investments with maturities of three months or less at the time of acquisition. The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to significant credit risk with these deposits.

Contributed Services

Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2025, the Organization received approximately \$1,390 services of this nature. The value of the contributed services has been recorded at fair value as in-kind contribution revenue and volunteer management expense in the period incurred.

Additionally, the Organization receives donated services from unpaid volunteers that assist with services related to the shelters. These services do not meet the criteria for recognition and have not been included within the statement of activities.

Date of Management's Review

Subsequent events were evaluated through November 26, 2025, which is the date the financial statements were available to be issued.

Donated Supplies and Toiletries

Contributions of non-cash assets are recorded at their fair values on the date received. During the year ended June 30, 2025, the Organization received donated toiletries and miscellaneous personal care items for use in the shelters. These supplies have been assigned an estimated fair value of \$19,000 and have been recorded on the statement of activities as in-kind contribution revenue with a corresponding entry to shelter supplies.

Donated Shelter Space and Facility Expenses

During the year ended June 30, 2025, the Organization received seven months of free-use shelter space provided by the City of Harrisonburg. The Organization estimates the fair value of this office space is approximately \$189,400. The value of this facility has been recorded at fair value as in-kind contribution revenue and occupancy expense in the period incurred. The Organization receives free-use operational and maintenance expenses which consist of water, sewer, electrical, repair supplies, pest control, and landscaping materials. During the year ended June 30, 2025, the estimated cost of these maintenance and utility expenses are approximately \$27,700. The value of the maintenance and utility expense has been recorded at fair value as in-kind contribution revenue, and operational and maintenance expense in the period incurred.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Costs are allocated between general and administrative, fundraising and the appropriate program based on corresponding evaluations 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. Fundraising costs are expenses that are directly related to activities that involve the solicitation of funds or time from potential donors.

OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(See Independent Accountant's Review Report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed in the period incurred. Property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of depreciable assets.

The costs of additions and betterments are capitalized, and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Property and equipment consisted of the following at June 30, 2025:

Computer and office equipment	\$ 47,259
Accumulated depreciation	<u>(13,265)</u>
	<u>\$ 33,994</u>

NOTE B – CONCENTRATIONS OF RISK

The Organization conducts its operations solely in the Shenandoah Valley region of Virginia, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in contributions concurrently with an increase in community need for the Organization's services.

OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(See Independent Accountant's Review Report)

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets:	
Cash and cash equivalents	\$ <u>227,599</u>
Total financial assets	227,599
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>227,599</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could also draw upon its cash and cash equivalents.