



OPEN DOORS
WITH BROTHER ANDREW, INC.

Financial Statements
With Independent Auditors' Report

December 31, 2016 and 2015

OPEN DOORS WITH BROTHER ANDREW, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Open Doors with Brother Andrew, Inc.
Santa Ana, California

We have audited the accompanying financial statements of Open Doors with Brother Andrew, Inc. (the Ministry), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Ministry's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Open Doors with Brother Andrew, Inc.
Santa Ana, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Open Doors with Brother Andrew, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Brea, California
March 24, 2017

OPEN DOORS WITH BROTHER ANDREW, INC.

Statements of Financial Position

December 31, 2016 and 2015

Assets	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Assets:						
Cash and cash equivalents	\$ 2,552,266	\$ 34,263	\$ 2,586,529	\$ 3,246,653	\$ 306,266	\$ 3,552,919
Inventory	19,010	-	19,010	31,506	-	31,506
Estate receivables	-	212,039	212,039	-	360,177	360,177
Prepaid expenses and other assets	423,219	-	423,219	466,113	-	466,113
Investments held for operations (note 3)	2,050,273	-	2,050,273	1,907,117	-	1,907,117
Investments of gift annuities (note 3)	1,639,885	-	1,639,885	1,616,312	-	1,616,312
Investments held in irrevocable trusts (note 3)	-	79,815	79,815	-	109,463	109,463
Investments held in revocable trusts (note 3)	-	58,792	58,792	-	57,175	57,175
Building and equipment, net (note 4)	1,057,703	-	1,057,703	1,135,208	-	1,135,208
Total assets	\$ 7,742,356	\$ 384,909	\$ 8,127,265	\$ 8,402,909	\$ 833,081	\$ 9,235,990
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued expenses	\$ 159,768	\$ -	\$ 159,768	\$ 99,015	\$ -	\$ 99,015
Accrued salaries and benefits	216,732	-	216,732	195,936	-	195,936
Amounts due affiliates	771,563	-	771,563	1,879,918	-	1,879,918
Distributions payable to donors:						
Gift annuities	1,353,338	-	1,353,338	1,398,139	-	1,398,139
Irrevocable trusts	-	30,021	30,021	-	57,124	57,124
Revocable trusts	-	58,792	58,792	-	57,175	57,175
Lease obligation	7,507	-	7,507	19,836	-	19,836
Total liabilities	2,508,908	88,813	2,597,721	3,592,844	114,299	3,707,143
Net assets:						
Unrestricted	5,233,448	-	5,233,448	4,810,065	-	4,810,065
Temporarily restricted	-	296,096	296,096	-	718,782	718,782
Total net assets	5,233,448	296,096	5,529,544	4,810,065	718,782	5,528,847
Total liabilities and net assets	\$ 7,742,356	\$ 384,909	\$ 8,127,265	\$ 8,402,909	\$ 833,081	\$ 9,235,990

See accompanying notes to financial statements.

OPEN DOORS WITH BROTHER ANDREW, INC.

Statements of Activities

Year Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Support, revenue, and reclassifications:						
Contributions	\$ 20,465,939	\$ 183,513	\$ 20,649,452	\$ 20,274,965	\$ 513,492	\$ 20,788,457
Books and ministry products	30,909	-	30,909	60,460	-	60,460
Royalties, dividends, and interest	70,137	-	70,137	67,550	-	67,550
Other revenue	44,661	-	44,661	45,732	-	45,732
Change in value of split interest agreements	(33,795)	27,462	(6,333)	(440,827)	(3,535)	(444,362)
Realized gain (loss) on investments	(16,012)	-	(16,012)	(49,401)	-	(49,401)
Unrealized gain (loss) on investments	92,785	-	92,785	(55,501)	-	(55,501)
Reclassifications:						
Funds released for operations	603,655	(603,655)	-	253,932	(253,932)	-
Net assets released from matured trusts	30,006	(30,006)	-	-	-	-
Total support and revenue	21,288,285	(422,686)	20,865,599	20,156,910	256,025	20,412,935
Expenses:						
Serving the Suffering Church by:						
Bible and literature distribution	4,955,672	-	4,955,672	3,011,800	-	3,011,800
Training	1,082,257	-	1,082,257	1,298,753	-	1,298,753
Public awareness and motivation	5,074,786	-	5,074,786	4,353,659	-	4,353,659
Research and advocacy	409,651	-	409,651	485,590	-	485,590
Socio-economic development	4,734,166	-	4,734,166	6,428,400	-	6,428,400
Total program services	16,256,532	-	16,256,532	15,578,202	-	15,578,202
Supporting the Suffering Church by:						
Administration	2,095,423	-	2,095,423	1,812,800	-	1,812,800
Fund-raising	2,512,947	-	2,512,947	2,201,982	-	2,201,982
Total supporting activities	4,608,370	-	4,608,370	4,014,782	-	4,014,782
Total expenses	20,864,902	-	20,864,902	19,592,984	-	19,592,984
Change in net assets	423,383	(422,686)	697	563,926	256,025	819,951
Net assets at the beginning of the year	4,810,065	718,782	5,528,847	4,246,139	462,757	4,708,896
Net assets at the end of the year	\$ 5,233,448	\$ 296,096	\$ 5,529,544	\$ 4,810,065	\$ 718,782	\$ 5,528,847

See accompanying notes to financial statements.

OPEN DOORS WITH BROTHER ANDREW, INC.

Statement of Functional Expenses

Year Ended December 31, 2016

	Bible and literature distribution	Training	Public awareness and motivation in the Free World	Research and advocacy	Socio-economic development	Administration	Fund-raising	Total
Salaries and benefits	\$ -	\$ -	\$ 2,324,566	\$ 194,995	\$ -	\$ 1,320,102	\$ 447,455	\$ 4,287,118
Support of other ministries	4,955,672	1,082,257	50,000	26,621	4,734,166	-	-	10,848,716
Other employee benefits	-	-	6,258	96	-	26,386	366	33,106
Legal and professional	-	-	1,009,439	54,680	-	198,585	944,273	2,206,977
Advertising and promotion	-	-	311,910	63,219	-	4,699	173,677	553,505
Travel	-	-	475,394	49,697	-	81,932	36,428	643,451
Freight and postage	-	-	191,193	784	-	34,057	347,062	573,096
Telephone and utilities	-	-	60,505	3,479	-	13,381	5,313	82,678
Depreciation and amortization	-	-	123,247	2,046	-	39,479	6,873	171,645
Repairs and maintenance	-	-	39,790	219	-	65,600	1,490	107,099
Printing	-	-	184,791	2,062	-	13,748	401,912	602,513
Supplies	-	-	53,670	1,373	-	31,676	5,472	92,191
Rent	-	-	48,009	411	-	28,950	1,513	78,883
Books and literature	-	-	51,775	307	-	549	9,881	62,512
Radio	-	-	13,284	-	-	-	97,471	110,755
Other	-	-	130,955	9,662	-	236,279	33,761	410,657
	<u>\$ 4,955,672</u>	<u>\$ 1,082,257</u>	<u>\$ 5,074,786</u>	<u>\$ 409,651</u>	<u>\$ 4,734,166</u>	<u>\$ 2,095,423</u>	<u>\$ 2,512,947</u>	<u>\$ 20,864,902</u>

See accompanying notes to financial statements.

OPEN DOORS WITH BROTHER ANDREW, INC.

Statement of Functional Expenses

Year Ended December 31, 2015

	Bible and literature distribution	Training	Public awareness and motivation in the Free World	Research and advocacy	Socio-economic development	Administration	Fund-raising	Total
Salaries and benefits	\$ -	\$ -	\$ 2,023,139	\$ 153,545	\$ -	\$ 1,141,645	\$ 348,843	\$ 3,667,172
Support of other ministries	3,011,800	1,298,753	30,000	272,800	6,428,400	-	-	11,041,753
Other employee benefits	-	-	2,410	-	-	9,824	-	12,234
Legal and professional	-	-	742,692	6,295	-	176,466	946,573	1,872,026
Advertising and promotion	-	-	121,728	736	-	4,831	143,810	271,105
Travel	-	-	530,187	30,873	-	80,424	42,154	683,638
Freight and postage	-	-	179,067	274	-	35,207	277,930	492,478
Telephone and utilities	-	-	62,411	2,722	-	14,091	4,836	84,060
Depreciation and amortization	-	-	131,052	2,128	-	37,966	5,508	176,654
Repairs and maintenance	-	-	32,870	162	-	56,069	799	89,900
Printing	-	-	161,044	245	-	7,843	312,047	481,179
Supplies	-	-	60,417	2,804	-	26,368	3,572	93,161
Rent	-	-	46,318	413	-	9,866	1,596	58,193
Books and literature	-	-	57,119	-	-	1,627	3,688	62,434
Radio	-	-	23,119	-	-	-	86,158	109,277
Other	-	-	150,086	12,593	-	210,573	24,468	397,720
	<u>\$ 3,011,800</u>	<u>\$ 1,298,753</u>	<u>\$ 4,353,659</u>	<u>\$ 485,590</u>	<u>\$ 6,428,400</u>	<u>\$ 1,812,800</u>	<u>\$ 2,201,982</u>	<u>\$ 19,592,984</u>

See accompanying notes to financial statements.

OPEN DOORS WITH BROTHER ANDREW, INC.

Statements of Cash Flows

Year Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 697	\$ 819,951
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	171,645	176,654
Gain on disposal of assets	-	(290)
Donated assets	(33,986)	(3,898)
Unrealized (gain) loss on investments	(92,785)	55,501
Realized loss on investments	16,012	49,401
Unrealized (gain) loss on trust assets	(1,035)	9,714
Realized loss on trust assets	308	566
Change in value of trusts	(26,272)	3,535
Payments on gift annuity obligations	142,371	153,090
Actuarial change for gift annuities	(39,602)	320,602
Maturities of gift annuities	(70,164)	(32,865)
Changes in assets and liabilities:		
Estate receivables	148,138	(250,501)
Inventory	12,496	5,125
Prepaid expenses and other assets	42,894	(193,626)
Accounts payable and accrued expenses	60,753	(87,337)
Accrued salaries and benefits	20,796	25,381
Amounts due affiliates	(1,108,355)	571,918
Net cash (used in) provided by operating activities	(756,089)	1,622,921
Cash flows from investing activities:		
Purchases of fixed asset additions	(94,140)	(100,901)
Proceeds from the sale of equipment	-	290
Purchases of investments	(155,731)	(924,549)
Proceeds from the sale of investments	131,304	139,918
Net cash used in investing activities	(118,567)	(885,242)
Cash flows from financing activities:		
Payments on trust and annuity obligations	(148,853)	(161,956)
Face value of new gift annuities	110,000	120,000
Gift portion of new gift annuities	(45,035)	(58,834)
Investment income in trusts	4,484	(897)
Payments on capital lease	(12,329)	(11,676)
Net cash used in financing activities	(91,733)	(113,363)
Net change in cash and cash equivalents	(966,389)	624,316
Cash and cash equivalents at beginning of year	3,552,919	2,928,603
Cash and cash equivalents at end of year	\$ 2,586,530	\$ 3,552,919

See accompanying notes to financial statements.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

1. ORGANIZATION:

Description of Organization

Open Doors with Brother Andrew, Inc. (the Ministry) is a ministry of Open Doors International, Inc. (the Organization), a worldwide organization incorporated in the Netherlands. The Ministry is a national affiliate of the Organization and has the nonexclusive right to use the name and logo under an Affiliation Agreement. The Affiliation Agreement is subject to a six-year renewal period and can be revoked by the Organization at anytime by giving 100 days written notice.

The Organization defines its vision statement as follows:

Our purpose:

To strengthen and equip the Body of Christ living under or facing restriction and persecution because of their faith in Jesus Christ, and to encourage their involvement in world evangelism by:

- Providing Bibles, literature, media, leadership training, socio-economic development, and intercessory prayer;
- Preparing the Body of Christ living in threatened or unstable areas to face persecution and suffering;
- Educating and mobilizing the Body of Christ living in the Free World to identify with threatened and persecuted Christians and be actively involved in assisting them.

We do so because we believe that when one member suffers, all members suffer with it (1 Corinthians 12:26). All doors are open and God enables His Body to go into all the world and preach the Gospel.

As the Ministry has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the Code) and applicable state regulations, no provision for taxes based on income has been included in the accompanying financial statements. The Ministry has also been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of the Ministry have been prepared on the accrual basis of accounting. The Ministry records contributions received for each net asset category in accordance with donor imposed restrictions. A description of the net asset categories as reported in the accompanying financial statements are as follows:

- *Unrestricted net assets* represent contributions raised through various fund-raising efforts and campaigns available for support of operations, including amounts donated through gift annuities available for use at the time of receipt, as well as the Ministry's investment in building and equipment.
- *Temporarily restricted net assets* represent amounts donated through charitable remainder trusts unavailable for use until the expiration of the trust agreement. Investment income is reinvested in the trust or used to make required pay outs to donors throughout their lifetimes. It also includes matching grants and estates receivable not yet received. Finally, it represents contributions specified by donors to be used for a national church and youth program.

Temporarily restricted contributions received and spent in the same year have been recorded as unrestricted support.

Support, Revenue, and Expenses

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to the Ministry. Conditional promises-to-give are recognized as revenue when the conditions on which they depend are substantially met. The Ministry receives gifts in kind, which are recorded as support at the estimated fair market value on the date of the gift.

Contributions are recorded as temporarily restricted if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from temporarily restricted to unrestricted net assets and reported in the statements of activities as net assets released for operations.

For contributions restricted by donors for the acquisition of property or other long-lived assets, the restriction is considered to be met when funds are spent to purchase or construct the property or other long-lived asset.

Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Ministry considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. These accounts may, at times, exceed federally insured limits. The Ministry has not experienced any losses in such accounts.

Investments

The Ministry's investments represent donations received through gift annuities, revocable trusts, and irrevocable trusts, and assets for operations. These funds have been invested to make future payments to the beneficiaries under the terms of the agreements. Each split interest investment has an associated liability on the statements of financial position. Investments include money market accounts, fixed income and equity mutual funds, stocks, and indexed annuities for long-term investment purposes. The Ministry carries its investments at fair value with the exception of indexed annuities which are carried at the cash surrender value. Fair value was determined by using quoted market prices. Money market funds in trusts have been included in investments to reflect the restrictions on these funds. Gains or losses on split interest agreements are recorded as changes in the value of split interest agreements when market values fluctuate from cost (see note 3). Investments held in revocable trusts for which the Ministry acts as trustee are shown as investments with a corresponding liability until ownership passes to the Ministry.

Inventory

Inventory consists of books and DVDs used in the Ministry and are valued on a FIFO (first in, first out) basis at the lower of cost or market. There is no reserve for obsolescence at December 31, 2016 and 2015.

Estate Receivables

The Ministry is regularly included in wills and estates of individuals. When a donor has passed away, the Ministry is notified and records a receivable based on the amount expected to be received. No specific timetable is set for these receipts, but are generally expected to be received within a year.

Annuity and Trust Obligations

As part of the Ministry's irrevocable charitable remainder trust and gift annuities agreements, future payments must be made to the donors or other beneficiaries from trust assets. At the time of the gift, the Ministry recognized revenue for the fair value of the trust assets less the present value of the estimated future payments to the donor or other beneficiaries. A liability was established for the difference between the fair market value of the assets the Ministry held in trust and the revenue recognized. This liability is decreased as benefit payments are made to the donors and beneficiaries each year. Any fluctuations in the market value of the related trust assets and any income earned on the trust assets affect this liability.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

Building, Equipment, and Depreciation

Purchased property and equipment with a value of \$2,500 or greater is capitalized and stated at cost, net of accumulated depreciation and amortization. Contributed property and equipment is reported at the fair market value on the date of the gift, net of accumulated depreciation and amortization.

Depreciation of equipment is provided over the estimated useful lives on a straight-line basis. The useful lives of equipment and furniture and fixtures range from three to ten years. The useful life of the building is thirty years.

Film and Literary Rights

The Ministry has acquired the rights to several religious films and publications. Management has elected to expense these rights at the time of acquisition as future benefits are undeterminable.

Use of Estimates

Management of the Ministry has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

Uncertain Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2016 and 2015, the Ministry had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Ministry files information tax returns in the U.S. and various states. The Ministry is subject to income tax examinations for the current year and certain prior years based on the applicable laws and regulations.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program and supporting activities.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

Allocation of Joint Costs

The Ministry has adopted the Joint Cost topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). This statement requires that all costs that contain any fund-raising appeal be allocated to fund-raising unless all of the following conditions are met: purpose, audience and content. For the years ended December 31, 2016 and 2015, the Ministry incurred the following joint costs:

December 31, 2016:

	<u>Program</u>	<u>Administration</u>	<u>Fund-raising</u>	<u>Total Expenses</u>
Ministry magazine	\$ 308,229	\$ -	\$ 26,803	\$ 335,032
Website	409,756	-	45,528	455,284
Media	364,505	-	40,501	405,006
Field representatives	639,079	74,275	120,851	834,205
International Day of Prayer and church relations	504,638	47,695	11,137	563,470
Special campaigns	2,735	-	144	2,879
	<u>\$ 2,228,942</u>	<u>\$ 121,970</u>	<u>\$ 244,964</u>	<u>\$ 2,595,876</u>

December 31, 2015:

	<u>Program</u>	<u>Administration</u>	<u>Fund-raising</u>	<u>Total Expenses</u>
Ministry magazine	\$ 281,319	\$ -	\$ 24,462	\$ 305,781
Website	303,373	-	15,967	319,340
Field representatives	548,719	54,959	117,390	721,068
International Day of Prayer and church relations	866,902	80,325	18,154	965,381
Events	12,171	-	3,043	15,214
Special campaigns	6,917	-	3,723	10,640
	<u>\$ 2,019,401</u>	<u>\$ 135,284</u>	<u>\$ 182,739</u>	<u>\$ 2,337,424</u>

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

3. INVESTMENTS:

Investments in debt and equity securities with readily determinable fair values are reported at fair value with gains and losses included in the statements of activities. Fair value is determined by using quoted market prices.

Investments are recorded in the statements of financial position in the following categories at December 31, 2016 and 2015:

	2016	2015
Investments held for operations	\$ 2,050,273	\$ 1,907,117
Investments of gift annuities	1,639,885	1,616,312
Investments held in irrevocable trusts	79,815	109,463
Investments held in revocable trusts	58,792	57,175
	<u>\$ 3,828,765</u>	<u>\$ 3,690,067</u>

Investments by type as of December 31, 2016 and 2015, are as follows:

	2016	2015
Cash and cash equivalents	\$ 522,911	\$ 1,130,044
Mutual funds	3,094,253	2,334,379
Indexed annuities	211,601	225,644
	<u>\$ 3,828,765</u>	<u>\$ 3,690,067</u>

The Ministry has adopted the provisions of the Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Ministry uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Ministry measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015.

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

3. INVESTMENTS, continued:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2016:				
Mutual funds:				
Global equity	\$ 183,347	\$ 183,347	\$ -	\$ -
Developing markets	9,121	9,121	-	-
Large-cap growth equity	229,265	229,265	-	-
Large-cap value equity	245,778	245,778	-	-
Fixed income high yield	6,731	6,731	-	-
Fixed income bond	868,600	868,600	-	-
Fixed income short bond	1,339,946	1,339,946	-	-
REIT	70,193	70,193	-	-
Small-cap growth equity	64,020	64,020	-	-
Small-cap value equity	69,262	69,262	-	-
Balanced	7,990	7,990	-	-
Indexed annuities	211,601	-	211,601	-
	<u>\$ 3,305,854</u>	<u>\$ 3,094,253</u>	<u>\$ 211,601</u>	<u>\$ -</u>
December 31, 2015:				
Mutual funds:				
Global equity	\$ 158,211	\$ 158,211	\$ -	\$ -
Developing markets	10,894	10,894	-	-
Large-cap growth equity	218,587	218,587	-	-
Large-cap value equity	216,210	216,210	-	-
Fixed income high yield	93,921	93,921	-	-
Fixed income bond	633,829	633,829	-	-
Fixed income municipal	5,286	5,286	-	-
Fixed income short bond	811,909	811,909	-	-
REIT	73,797	73,797	-	-
Small-cap growth equity	52,199	52,199	-	-
Small-cap value equity	51,981	51,981	-	-
Balanced	7,555	7,555	-	-
Indexed annuities	225,644	-	225,644	-
	<u>\$ 2,560,023</u>	<u>\$ 2,334,379</u>	<u>\$ 225,644</u>	<u>\$ -</u>

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

December 31, 2016 and 2015

3. INVESTMENTS, continued:

Investment income as of December 31, 2016 and 2015, consists of:

	2016	2015
Dividends	\$ 54,480	\$ 56,019
Interest	9,484	6,713
Royalties	6,173	4,818
Unrealized gain (loss)	92,785	(55,501)
Realized loss	(16,012)	(49,401)
	\$ 146,910	\$ (37,352)

Change in value of split interest agreements as of December 31, 2016 and 2015, consists of:

	2016	2015
Dividends and realized gain	\$ 2,961	\$ 6,809
Unrealized (loss) gain	1,035	(9,714)
Payments to trustors and annuitants	(147,198)	(160,362)
Matured agreements	98,982	32,865
Actuarial adjustment	37,887	(313,960)
	\$ (6,333)	\$ (444,362)

4. BUILDING AND EQUIPMENT:

Building and equipment as of December 31, 2016 and 2015, at cost, consists of:

	2016	2015
Building	\$ 853,669	\$ 853,669
Building improvements	1,058,685	1,058,685
Computer hardware and software	676,690	619,130
Office equipment	490,178	471,893
	3,079,222	3,003,377
Less accumulated depreciation and amortization	(2,021,519)	(1,868,169)
	\$ 1,057,703	\$ 1,135,208

OPEN DOORS WITH BROTHER ANDREW, INC.

Notes to Financial Statements

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5. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Mission-related grants	\$ 34,263	\$ 306,266
Estate receivables	212,039	360,177
Trusts	49,794	52,339
	<u>\$ 296,096</u>	<u>\$ 718,782</u>

6. RELATED PARTY TRANSACTIONS:

Program services include \$10,673,716 and \$11,011,753 of payments to be made directly to Open Doors International, Inc. and its ministries (ODI) in 2016 and 2015, respectively. These disbursements are allocated between expense amounts in the statements of activities based on estimated actual expenditures as provided by ODI. Amounts due affiliates of \$771,563 and \$1,879,918 as of December 31, 2016 and 2015, respectively, represent grants promised to ODI but not yet paid.

For the years ended December 31, 2016 and 2015, the Ministry purchased attorney services in the amount of \$903 and \$750, respectively, with a law firm of which a board member is a partner.

7. PENSION PLAN:

The Ministry has a defined contribution pension plan covering substantially all of its employees. Depending on years of service, contributions are made at 6.0 to 8.0% of each covered employee's compensation and totaled \$186,452 and \$163,705 during the years ended December 31, 2016 and 2015, respectively.

8. CAPITAL LEASES:

The Ministry leases certain office equipment under a capital lease agreement with monthly payments of \$1,092, expiring in July 2017. The future minimum payment due in 2017 is \$7,644.

9. COMMITMENTS:

The Ministry has certain maintenance and usage agreements. These agreements apply through July 2019 with combined monthly payments of approximately \$6,031.

The future minimum payments are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 19,250
2018	1,344
2019	434
	<u>\$ 21,028</u>

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.