OPENING DOORS, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Opening Doors, Inc.
Sacramento, CA

We have audited the accompanying financial statements of Opening Doors, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 entity'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 entity'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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opening Doors, Inc. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
The 2019 financial statements of Opening Doors, Inc. were audited by other auditors whose report dated June 23, 2020, expressed an unmodified opinion on those statements

Other Information – Schedule of Expenditures of Federal Awards
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021 on our consideration of Opening Doors, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Opening Doors, Inc. internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Opening Doors, Inc. internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, CA
May 26, 2021

OPENING DOORS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,492,157	$ 702,247
Grants and Program Receivables	497,104	624,145
Contract Assets	63,560	201,732
Client Loans Receivable, Current Portion	230,223	280,322
Prepaid Expenses and Deposits	25,226	16,361
Total Current Assets	2,308,270	1,824,807
LONG-TERM ASSETS		
Restricted Cash and Loan Loss Reserves	357,499	294,339
Property and Equipment, Net	2,550	7,450
Client Loans Receivable, Non-Current Portion	281,165	353,419
Total Long-Term Assets	641,214	655,208
Total Assets	$ 2,949,484	$ 2,480,015
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 82,829	$ 93,573
Accrued Expenses	271,108	143,355
Notes Payable, Current Portion	87,632	73,350
Contract Liabilities	201,130	186,152
Total Current Liabilities	642,699	496,430
LONG-TERM LIABILITIES		
Notes Payable, Non-Current Portion	197,406	251,933
Total Liabilities	840,105	748,363
NET ASSETS		
Without Donor Restrictions	1,970,190	1,563,607
With Donor Restrictions	139,189	168,045
Total Net Assets	2,109,379	1,731,652
Total Liabilities and Net Assets	$ 2,949,484	$ 2,480,015

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Federal Grants	$ 1,850,487	$ 10,000	$ 1,860,487
State Grants	1,102,820	-	1,102,820
Foundation and Other Grants	48,000	-	48,000
Contributions	141,240	-	141,240
Program Fees	67,838	-	67,838
In-kind Contributions	48,939	-	48,939
Loan Fees and Interest	37,152	-	37,152
Rental Income	10,800	-	10,800
Paycheck Protection Program Loan Forgiveness	259,100		259,100
Other	17,243	-	17,243
Net Assets Released from Restriction	38,856	(38,856)	-
Total Support and Revenue	3,622,475	(28,856)	3,593,619
EXPENSES AND LOSSES			
Program Services Expense:	3,052,897	-	3,052,897
General and Administrative	96,602	-	96,602
Fundraising	66,393	-	66,393
Total Program Expenses	3,215,892	-	3,215,892
CHANGE IN NET ASSETS	406,583	(28,856)	377,727
Net Assets - Beginning of Year	1,563,607	168,045	1,731,652
NET ASSETS - END OF YEAR	$ 1,970,190	$ 139,189	$ 2,109,379

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Federal Grants	$ 1,649,580	$ 125,418	$ 1,774,998
State Grants	1,037,476	-	1,037,476
Foundation and Other Grants	2,925	15,000	17,925
Contributions	91,484	29,035	120,519
Program Fees	290,459	-	290,459
In-kind Contributions	150,903	-	150,903
Loan Fees and Interest	55,978	-	55,978
Special Events, Net of Direct Expenses of $11,571	20,709	-	20,709
Rental Income	10,800	-	10,800
Other	29,735	-	29,735
Net Assets Released from Restriction	289,869	(289,869)	-
TOTAL SUPPORT AND REVENUE	3,629,918	(120,416)	3,509,502
EXPENSES AND LOSSES			
Program Services Expense:	2,955,627	-	2,955,627
General and Administrative	172,146	-	172,146
Fundraising	23,656	-	23,656
Total Expenses	3,151,429	-	3,151,429
CHANGE IN NET ASSETS	478,489	(120,416)	358,073
Net Assets - Beginning of Year	1,085,118	288,461	1,373,579
NET ASSETS - END OF YEAR	$ 1,563,607	$ 168,045	$ 1,731,652

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services								
	Microenterprise	Immigration Legal Services	Survivors of Trafficking	Refugee Resettlement	Other Programs	Total	General and Administrative	Fundraising	Total
Salaries	$ 185,575	$ 292,520	$ 171,875	$ 482,626	$ 99,040	$ 1,231,636	$ 21,057	$ 46,208	$ 1,298,901
Payroll Taxes	16,784	24,973	15,781	42,201	8,588	108,327	2,392	3,808	114,527
Employee Benefits	28,762	59,792	38,685	107,144	18,750	253,133	9,225	9,361	271,719
Total Salaries and Related Costs	231,121	377,285	226,341	631,971	126,378	1,593,096	32,674	59,377	1,685,147
Client Expenses	2	8,952	170,171	660,837	-	839,962	35,000	-	874,962
Contract Services	10,060	86,161	111,946	24,241	15,663	248,071	7,411	324	255,806
Loan Administration	16,200	-	-	-	-	16,200	-	-	16,200
Occupancy	20,758	30,265	17,336	62,813	10,380	141,552	3,599	2,639	147,790
Donated Goods	-	-	-	10,163	-	10,163	-	-	10,163
Supplies	290	652	894	3,976	257	6,069	1,318	403	7,790
Outreach	1,262	799	395	31,328	143	33,927	-	60	33,987
Small Equipment Costs	490	714	474	1,480	291	3,449	64	73	3,586
Professional Services	6,619	14,361	6,659	49,204	1,571	78,414	4,895	1,362	84,671
Telephone and Internet	5,373	6,861	4,186	11,262	1,402	29,084	566	463	30,113
Insurance	1,295	1,671	1,364	4,145	552	9,027	100	115	9,242
Donated Services	-	34,372	-	983	-	35,355	3,421	-	38,776
Printing and Postage	154	2,092	931	2,212	113	5,502	599	143	6,244
Depreciation	-	-	-	-	-	-	4,900	-	4,900
Meetings and Conferences	-	-	-	32	-	32	19	-	51
Travel	13	15	-	40	-	68	69	-	137
Staff Related Costs	-	776	-	420	-	1,196	793	-	1,989
Dues and Subscriptions	110	342	-	633	219	1,304	838	402	2,544
Miscellaneous	-	46	-	380	-	426	336	1,032	1,794
Total Expenses by Function	$ 293,747	$ 565,364	$ 540,697	$ 1,496,120	$ 156,969	$ 3,052,897	$ 96,602	$ 66,393	$ 3,215,892

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Microenterprise	Immigration Legal Services	Survivors of Trafficking	Refugee Resettlement	Other Programs	Total	General and Administrative	Fundraising	Total
Salaries	$ 174,293	$ 266,627	$ 181,163	$ 365,930	$ 132,992	$ 1,121,005	$ 54,371	$ 20,313	$ 1,195,689
Payroll Taxes	15,231	22,802	15,249	31,579	11,042	95,903	5,656	1,801	103,360
Employee Benefits	3,217	11,599	12,759	17,693	8,822	54,090	4,981	30	59,101
Total Salaries and Related Costs	192,741	301,028	209,171	415,202	152,856	1,270,998	65,008	22,144	1,358,150
Client Expenses	-	3,018	161,495	709,849	581	874,943	4,948	-	879,891
Contract Services	-	187,152	88,570	-	4,515	280,237	-	-	280,237
Loan Administration	26,163	-	-	-	-	26,163	-	-	26,163
Other Direct Program Expenses	402	306	21	1,471	128	2,328	1,412	-	3,740
Occupancy	15,657	26,703	9,763	67,612	4,255	123,990	1,659	-	125,649
Donated Goods	-	-	-	47,654	-	47,654	-	-	47,654
Supplies	955	4,859	1,207	5,876	1,076	13,973	190	-	14,163
Outreach	1,904	1,745	1,294	18,475	659	24,077	124	-	24,201
Small Equipment Costs	1,686	5,936	1,227	10,454	1,097	20,400	381	-	20,781
Professional Services	12,538	1,067	587	29,780	6,619	50,591	82,279	-	132,870
Telephone and Internet	2,269	2,265	2,538	9,580	466	17,118	642	-	17,760
Insurance	1,892	7,098	2,704	6,788	376	18,858	-	-	18,858
Donated Services	-	85,863	-	3,707	-	89,570	5,500	-	95,070
Printing and Postage	599	7,494	962	3,351	242	12,648	240	146	13,034
Depreciation	185	574	-	3,776	140	4,675	172	-	4,847
Loan (Recoveries) Bad Debts	40,699	-	-	-	-	40,699	-	-	40,699
Meetings and Conferences	-	618	4	30	-	652	225	-	877
Travel	1,329	1,546	770	2,423	646	6,714	640	-	7,354
Staff Related Costs	1,173	547	348	9,429	9	11,506	3,006	-	14,512
Dues and Subscriptions	1,465	1,592	-	890	29	3,976	960	1,227	6,163
Miscellaneous	1,855	2,192	786	8,084	940	13,857	4,760	139	18,756
Total Expenses by Function	$ 303,512	$ 641,603	$ 481,447	$ 1,354,431	$ 174,634	$ 2,955,627	$ 172,146	$ 23,656	$ 3,151,429

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 118,628	$ 358,073
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,900	4,847
Bad Debt Expense	-	40,699
Paycheck Protection Program Loan - Forgiveness	259,100	-
Changes in Operating Assets and Liabilities		
Grants and Program Receivables	127,041	(142,402)
Contract Assets	138,172	(201,732)
Client Loans Receivable	(48,503)	(18,247)
Prepaid Expenses and Deposits	(8,865)	3,829
Accounts Payable	(10,745)	45,549
Accrued Expenses	127,753	6,706
Contract Liabilities	14,978	177,997
Net Cash Provided by Operating Activities	722,459	275,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Client Loans Made	(312,006)	(381,567)
Collections on Client Loans	482,862	401,663
Purchases of Property and Equipment	-	(577)
Net Cash Provided by Investing Activities	170,856	19,519
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Notes Payable	(40,245)	(73,350)
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	853,070	221,488
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	996,586	775,098
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 1,849,656	$ 996,586

See accompanying Notes to Financial Statements.

OPENING DOORS, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

RECONCILIATION OF CHANGE IN NET ASSETS		
Total Change in Net Assets	$ 377,727	$ 358,073
Less: Paycheck Protection Loan Program - Forgiveness	(259,100)	-
Change in Net Assets	$ 118,627	$ 358,073

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCES:	2020	2019
Cash and Cash Equivalents	$ 1,492,157	$ 702,247
Restricted Cash and Loan Loss Reserves	357,499	294,339
Total cash, cash equivalents, and restricted cash	$ 1,849,656	$ 996,586

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Opening Doors, Inc (the Agency) is presented to assist in the understanding of the Agency's financial statements. The policies reflect industry practices and conform to the accounting principles generally accepted in the United States of America.

Agency

Opening Doors, Inc. (the Agency) supports newcomers – refugees, immigrants, asylees and others – on their path towards stability, self-sufficiency and belonging. The Agency accomplishes this through programming that focuses on newcomers' financial security, physical and mental health, family and community connections and stable housing while ensuring that newcomers have the necessary English language skills, access to existing services and legal status.

Opening Doors began in 1993 as a small refugee resettlement agency then called the Sacramento Refugee Ministry, which was sponsored by the Interfaith Service Bureau. Refugees arrived in the Sacramento area from the former Soviet Union, Southeast Asia and elsewhere to begin new lives. In 2003 the Agency incorporated as a 501(c)(3) nonprofit Agency. In 2004 the Agency became a Community Development Financial Institution (CDFI). Over the years, the agency expanded to offer additional services, such as immigration legal services or microenterprise and business services, to support the success of its newcomer clients.

The Agency's current programs include:

Refugee Programs – The Agency provides refugee resettlement assistance to newly arriving refugees in obtaining housing, health care assistance, English language training, and help with job placement. For the most vulnerable refugees, the Agency offers intensive case management support beyond the initial 90-day resettlement period. The Agency provides holistic, culturally relevant counseling services. With support from volunteers, refugees are transitioned to a safe and healthy life in the Sacramento area community.

Survivors of Human Trafficking Program – The Agency also provides case management to newly-freed survivors and their families, assisting them with obtaining housing, medical assistance, English language training, psychological counseling, legal assistance, and other needs. The Agency also conducts community outreach, education, and technical assistance in order to increase the number of human trafficking victims being identified and freed and improve the cultural responsiveness of service providers.

Immigration Legal Services – The Agency provides pro bono comprehensive immigration legal services that include assistance with items such as naturalization and citizenship preparation, deportation defense, DACA, and legal services for unaccompanied minors.

English Language Development – The Agency partners with a local public charter school to provide free, flexible English language classes. Through a robust volunteer mentor program, the Agency also provides culturally appropriate English language classes and individual tutoring to refugee women.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency (Continued)

Economic Prosperity Programs – The Agency provides assistance for entrepreneurs to start or improve small businesses through business technical assistance, training and business microloans and financial education to support newcomers to navigate the U.S. financial system.

Financial Statement Presentation

The Agency follows the recommendations of the Financial Accounting Standards Board (FASB). The FASB establishes standards for financial reporting by nonprofit Agency's and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Agency considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivables

Grants and program receivable represent expenditures for which reimbursement has been requested but not yet received. The Agency considers grants and contracts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Client Loans Receivable

Client loans consist of amounts loaned to individuals through the Prosperity Project. Loans are stated at the amount of unpaid principal. Interest on loans is calculated in accordance with the provisions of the various underlying loan documents. All loan receivable repayments are pledged as collateral against outstanding notes payable of the Agency. The maximum term on notes receivable is five years and interest are charged at rates ranging from 7.5% to 8.5%. Loan fees and interest are recognized when earned. As of December 31, 2020 and 2019, no allowance for loan losses was recorded. There was no activity within the allowance for loan losses during the years ending December 31, 2020 and 2019.

A loan is considered impaired when it is probable the creditor will be unable to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impairment of loans is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. Cash collections on impaired loans are credited to the loan receivable balance and no interest income is recognized on those loans until the principal balance is current. There were no impaired loans as of December 31, 2020 and 2019.

Loans Receivable are summarized as the following at December 31:

	2020	2019
Wells Fargo Latino Business Loans	$ 13,844	$ 14,320
Prosperity Project Microloans - SBA	220,449	291,445
Prosperity Project Refugee Microenterprise Development Loans	275,549	326,974
	509,842	632,739
Less: Allowance for Loan Losses	-	-
Add: Accrued Loan Interest	1,546	1,002
Loan Receivable, Net	$ 511,388	$ 633,741

Restricted Cash and Loan Loss Reserves

Restricted funds include amounts received from grantors available for client loans, and loan loss reserves. The SBA program requires that a percentage of the principal balance of client loans be placed in a restricted account for covering future losses. The California Pollution Control Financing Authority California Capital Access Program (CalCAP) requires a percentage of loans enrolled in its program be placed in a restricted account for covering future losses. Restricted cash and loan loss reserves consist of the following at December 31:

	2020	2019
Microloan Revolving Fund	$ 212,841	$ 160,520
Loan Loss Reserve Fund	105,637	105,661
CalCap Loan Loss Reserve Fund	39,021	28,158
	$ 357,499	$ 294,339

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Agency records property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 7 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Fair Value Measurement

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value, whereby level 1 uses quoted prices and active markets for identical assets or liabilities when determining fair market value; level 2 uses non active quoted prices for similar assets and liabilities that can be corroborated with market data; and level 3 uses unobservable information with little or no market data. The Agency utilizes the active market approach (level 1) to measure fair value for its financial assets and liabilities.

Contributions

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

All contributions are considered to be without donor restrictions unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction accomplished), 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.

In-kind Contributions

In-kind contributions are recognized as public support and as a corresponding asset or expense at the estimated fair value on the date donated. Such donations are not recognized if there is an uncertainty about the existence of value or stipulations about ownership of assets. Donated services are not recognized in the financial statements unless the services either create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. A number of volunteers have donated significant amounts of their time to the Agency's administrative and program services during the year, however, these donated services are not reflected in the financial statements since these services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

The Agency recorded the following in-kind contributions for the years ended December 31:

	2020	2019
Services	$ 38,173	$ 92,163
Goods	10,766	58,740
	$ 48,939	$ 150,903

In addition, special event expenses in the statement of activities include $0 and $8,179 of in-kind goods during 2020 and 2019, respectively.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

Revenue is measured based on the amount of consideration specified in a contract with a customer or grantor. Revenue is recognized when earned and as our performance obligations under the terms of the contract are satisfied which generally occurs when the services are provided.

Grants and Contracts - For grants and contracts where the Agency has the right to consideration from the customer or grantor in an amount that corresponds directly with the value received by the customer or client based on our performance to date, revenue is recognized when services are performed and contractually billable. For all other types of grants and contracts, revenue is recognized over time, as performance obligations are satisfied and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards or contracts. Contract costs include all direct costs and an allocation of indirect costs related to contract performance.
Under the typical payment terms of the Agency contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly, quarterly, or annually), upon achievement of contractual milestones, or when services are provided. From time to time, the Agency may require the customer or grantor to make advance payments as well as interim payments as work progresses. The advance payment generally is not considered a significant financing component as the Agency expects to recognize those amounts in revenue within a year of receipt as work progresses on the related performance obligation.

Program fees - Revenues from program fees are recognized over the terms of the program and the period of service provided.

Contract Assets and Liabilities - When billing occurs subsequent to revenue recognition, resulting in unbilled revenue, a contract asset ensues and is presented under the caption “Contract assets” in the Statements of Financial Position. This represents unbilled revenues which arise when revenue has been earned, but the amount will not be billed until a later date. When advances or deposits from our customers or grantors are received, resulting in deferred revenue, a contract liability ensues and is presented under the caption “Contract Liabilities” in the Statements of Financial Position. This represents deferred revenue when the Agency has billed a customer or grantor in excess of revenue recognized to date or when payments are received in advance.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on the statements of activities and functional expenses based on their natural classification. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The Agency allocates indirect expenses among programs and administrative services on a basis proportionate to the direct staff time or other method which best measures the relative degree of benefit. The expenses that are allocated include payroll, taxes and benefits, which are allocated on the basis of estimates of time and effort.

Income Taxes

Under applicable laws and regulations, the Agency has been determined to be exempt from federal and California income taxes as an Agency described in Section 501(c)(3) of the Internal Revenue Code and the related California Revenue and Taxation Code Accordingly, no provision for income taxes has been recorded in these financial statements.

Uncertainty in Income Taxes

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Agency to report information regarding its exposure to various tax positions taken by the Agency. The Agency has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that the Agency has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Agency are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingencies

The Coronavirus Disease (COVID-19) pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific, to the Company, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, additional costs for personnel, disease control and containment, or loss of revenue due to reductions in housing demands. Management believes that the Company is taking appropriate actions to mitigate the negative impact of the COVID-19 pandemic; however, the full impact of COVID-19 is unknown and cannot reasonably be estimated as of May 26, 2021.

Subsequent Events

Management have evaluated subsequent events through May 26, 2021, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Financial Assets at Year End:		
Cash and Cash Equivalents	$ 1,492,157	$ 702,247
Grants and Program Receivables	497,104	624,145
Contract Assets	63,560	201,732
Client Loans Receivable	511,388	633,741
Restricted Cash and Loan Loss Reserves	357,499	294,339
Total Financial Assets	2,921,708	2,456,204
Less Amounts Not Available to be Used Within One Year:		
Contractual or Donor-Imposed Restrictions:		
Restricted by Donor with Time or Purpose Restriction	168,046	168,046
Contract Liabilities	201,130	186,152
Restricted Cash and Loan Loss Reserves	357,499	294,339
Client Loan Receivable, Non-Current Portion	281,165	353,419
	1,007,840	1,001,956
Financial Assets Available to Meet General Expenditiures Within One Year	$ 1,913,868	$ 1,454,248

The Agency's goal is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE 3 CONTRACT BALANCES

Contract assets are summarized as follows as of December 31:

	2020	2019
Unbilled Revenue	$ 63,560	$ 201,732
	$ 63,560	$ 201,732

Contract Liabilities are summarized as follows at December 31:
Contract liabilities are summarized as follows at December 31:

	2020	2019
Deferred revenue - Refugee Resettlement	$ 77,656	$ 186,152
Deferred revenue - Cal HMSA	123,474	-
	$ 201,130	$ 186,152

NOTE 4 NOTES PAYABLE

The Agency has two loans payable to the U.S. Small Business Administration (SBA) with zero interest, as long as the proceeds go toward making micro loans. The notes have maturity dates of May 23, 2022 and May 19, 2026. Original monthly principal payment totaled $3,925. Effective July 2018, monthly principal payments increased to $6,113 due to additional loan of $110,000 made in June 2018. As of December 31, 2020 and 2019, $285,038 and $325,283, respectively, was outstanding under these loans. These loans are secured by the security interest in all funds held in the microloan revolving funds and loan loss reserve funds, and microloan notes made.

Scheduled annual principal payments are as follows:

2021	$	87,632
2022		59,498
2023		39,402
2024		39,402
2025		39,402
Thereafter		19,702
	$	285,038

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2020	2019
Equipment	$ 38,949	$ 39,526
Furnitures and Fixtures	15,273	15,274
Software Programs	3,924	3,204
Subtotal	58,146	58,004
Less: Accumulated Depreciation	55,596	50,554
Total Property and Equipment, Net	$ 2,550	$ 7,450

Depreciation and amortization expense totaled $4,900 and $4,847 for the years ended December 31, 2020 and 2019, respectively.

NOTE 6 LINE OF CREDIT

The Agency has a $80,000 revolving line of credit with a bank, secured by accounts receivable. Borrowings under the line bear interest at the bank's prime rate plus 0.75%, or a floor of 5.00% (5.00% at December 31, 2020 and 2019). There were no draws on the line of credit as of December 31, 2020 and 2019.

NOTE 7 COMMITMENTS

In May 2018, the Agency entered a new lease to rent offices in Sacramento, California. The term of the lease is from November 30, 2018, through November 30, 2022, and month to month thereafter. The base rent is $9,811 per month from November 2018 through July 2019, increasing by 3% every year through November 2022. In May 2018, the Agency entered into a copier lease. The term of the lease is from June 1, 2018 through September 1, 2021. The lease payments are $268 monthly. Future minimum payments for both office space and copier are as follows at December 31:

2021	$ 128,864
2022	119,208
	$ 248,072

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2020	2019
Subject to the Passage of Time or Expenditure for Specified Purpose:		
Micro Lending	$ 93,973	$ 99,035
Loan Programs	24,305	44,363
Women's Literacy	348	4,250
Refugee Programs	20,563	14,776
Financial Literacy	-	5,000
Survivors of Trafficking	-	621
Total Subject to the Passage of Time or Expenditure for Specified Purpose	139,189	168,045
Total Net Assets With Donor Restrictions	$ 139,189	$ 168,045

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

	2020	2019
Purpose Restrictions Accomplished:		
Micro Lending	$ 5,061	$ 272,256
Loan Programs	20,059	10,090
Women's Literacy	3,902	5,749
Refugee Programs	4,213	424
Financial Literacy	5,000	-
Survivors of Trafficking	621	-
Staff Training	-	1,350
Total Restrictions Released	$ 38,856	$ 289,869

NOTE 9 CONCENTRATIONS OF CREDIT AND MARKET RISK

Concentration of Grants:
For the years ended December 31,2020 and 2019, approximately 46% and 49%, respectively, of the funding for the Agency's programs was provided from grants through the U.S. Department of State and U.S. Department of Health and Human Services.

The Agency receives a significant portion of its revenue from various government agencies for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not be material. However, if a significant reduction in funding from these government agencies occurred, the Agency's ability to maintain and operate its programs would be impaired.

Concentration of Credit Risk:
The Agency maintains its cash in bank accounts which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Accounts at each financial institution are insured by the FDIC up to $250,000. The Agency has not experienced losses in any of these accounts and management believes it is not exposed to any significant credit risk related to these accounts.

NOTE 10 PAYCHECK PROTECTION PROGRAM LOAN

On May 8, 2020, the Agency received proceeds in the amount of $259,100 to fund payroll, rent, and utilities through the Paycheck Protection Program (the "PPP Loan"). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Payment of principal and interest was deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Agency fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The covered period from May 8, 2020 to December 8, 2020 is the time that the Agency had to spend their PPP loan funds. On December 24, 2020, the Agency met the forgiveness requirements of the performance barriers attributable to the $259,100 of the PPP loan proceeds, and this amount was recognized as income in the statement of Activities under Paycheck Protection Program Loan Forgiveness.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty: however, management is of the opinion that any review will not have a material adverse impact on the Agency's financial position.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Opening Doors, Inc.
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Opening Doors, Inc., (a nonprofit Agency), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2021.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Opening Doors Inc. internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opening Doors Inc. internal control. Accordingly, we do not express an opinion on the effectiveness of Opening Doors Inc. internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Opening Doors, Inc. financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, CA
May 26, 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Opening Doors Inc.
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited Opening Doors Inc. compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Opening Doors Inc. major federal programs for the year ended December 31, 2020. Opening Doors Inc. major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Opening Doors Inc. major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Opening Doors Inc. compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Opening Doors Inc. compliance.

Opinion on Each Major Federal Program

In our opinion, Opening Doors Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Opening Doors Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Opening Doors Inc. internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Opening Doors Inc. internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, CA
May 26, 2021

OPENING DOORS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expendtirues
U.S. Department of State				
Passed through Church World Services				
U.S. Refugee Admissions Program	19.510		$ -	$ 1,459,475
U.S. Department of Health and Human Services				
Refugee and Entrant Assistance Discretionary Grants	93.576			154,379
Services to Victims of a Severe Form of Trafficking	93.598			22,532
U.S Small Business Administration				
Microloan Program	59.046			121,479
U.S Department of Homeland Security				
Citizenship Instruction and Legal Services	97.010		34,372	114,077
Total Expenditures of Federal Awards			$ 34,372	$ 1,871,942

OPENING DOORS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Opening Doors, Inc. Inc (Agency) for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Agency and is presented in accordance with accounting principles generally accepted in the United States of America. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of the OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 INDIRECT COST RATE

The Agency elected not to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the Agency to disclose whether or not it elected to use the 10% de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated cost rate.

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

Section 1	Summary of Auditors' Results
Financial Statements:	
Type of Auditors' Report Issued:	Unmodified
Internal Control over Financial Reporting: Material Weaknesses Identified?	______Yes __X__ No
Significant Deficiencies Identified?	______Yes __X__ None Reported
Noncompliance Material to Financial Statements noted?	______Yes __X__ No
Federal Awards:	
Internal Controls over Major Program: Material Weaknesses Identified?	______Yes __X__ No
Significant Deficiencies Identified?	______Yes __X__ None Reported
Type of Auditors' Report Issued on Compliance for Major Federal Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	______Yes __X__ No
Identification of major programs:	
Name of Federal Programs:	CFDA Number(s)
U.S. Refugee Admissions Program	19.510
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	______Yes __X__ No

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

The predecessor auditor did disclose a matter required to be reported in accordance with 2 CFR 200.516(a).

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Finding 2019-001
Procurement, Suspension, Debarment
Material Weakness in Internal Control Over Compliance

Criteria and Condition: The Agency's documented internal controls do not meet the procurement, suspension, and debarment compliance requirement of the Uniform Guidance. The Agency must establish and maintain effective internal control over federal awards that provides reasonable assurance that the Agency is managing the federal awards in compliance with federal statues, regulations and terms and conditions of the federal award. Management is responsible for establishing procedures for procurement of equipment, real property, and other services funded by federal funds.

Award recipients must not utilize any vendor or enter into a contract with a subawardee which is suspended or debarred or is otherwise excluded from the central contractor registry.

Status: Implemented in current year recommendation**.**