

OPENING DOORS, INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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**OPENING DOORS, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	27
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	29
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	33
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	34
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	35
CORRECTIVE ACTION PLAN	40



INDEPENDENT AUDITORS' REPORT

Board of Directors
Opening Doors, Inc.
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Opening Doors, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Opening Doors, Inc. as of December 31, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Opening Doors, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Opening Doors Inc's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Opening Doors, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Opening Doors, Inc.'s ability to continue as a going concern for a reasonable period of time.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 July 14, 2026, 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.'s 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

Roseville, California
July 14, 2026

OPENING DOORS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,191,897	\$ 895,004
Grants and Program Receivables	1,374,539	2,529,710
Client Loans Receivable, Current Portion	358,532	319,412
Prepaid Expenses and Deposits	94,380	92,874
Total Current Assets	5,019,348	3,837,000
LONG-TERM ASSETS		
Restricted Cash and Loan Loss Reserves	628,817	340,468
Operating Right-of-Use Assets	373,066	606,105
Property and Equipment, Net	77,883	1,442,426
Client Loans Receivable, Noncurrent Portion, Net of Allowance of \$0 and \$11,798	414,272	416,914
Total Long-Term Assets	1,494,038	2,805,913
Total Assets	\$ 6,513,386	\$ 6,642,913
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 35,089	\$ 501,504
Accrued Expenses	1,088,737	1,137,013
Notes Payable, Current Portion	119,336	132,731
Lease Liabilities, Current Portion - Operating	258,605	258,605
Contract Liabilities	1,875,679	840,324
Total Current Liabilities	3,377,446	2,870,177
LONG-TERM LIABILITIES		
Lease Liabilities, Noncurrent Portion - Operating	83,627	365,532
Notes Payable, Net, Noncurrent Portion	453,438	1,195,519
Total Long-Term Liabilities	537,065	1,561,051
Total Liabilities	3,914,511	4,431,228
NET ASSETS		
Without Donor Restrictions	2,342,933	2,020,054
With Donor Restrictions	255,942	191,631
Total Net Assets	2,598,875	2,211,685
Total Liabilities and Net Assets	\$ 6,513,386	\$ 6,642,913

See accompanying Notes to Consolidated Financial Statements.

OPENING DOORS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Federal Grants	\$ 4,037,196	\$ 99,777	4,136,973
State Grants	3,689,079	4,500	3,693,579
Contributions of Nonfinancial Assets	16,800	-	16,800
Contributions	384,392	-	384,392
Prosperity Program	8,818	-	8,818
Rental Income	97,820	-	97,820
Loan Fees and Interest	147,544	-	147,544
Other	632,659	-	632,659
Net Assets Released from Restriction	39,966	(39,966)	-
Total Support and Revenue	<u>9,054,274</u>	<u>64,311</u>	<u>9,118,585</u>
EXPENSES AND LOSSES			
Program Services Expense	8,465,140	-	8,465,140
General and Administrative	224,689	-	224,689
Fundraising	41,566	-	41,566
Total Expenses	<u>8,731,395</u>	<u>-</u>	<u>8,731,395</u>
CHANGE IN NET ASSETS	322,879	64,311	387,190
Net Assets - Beginning of Year	<u>2,020,054</u>	<u>191,631</u>	<u>2,211,685</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,342,933</u></u>	<u><u>\$ 255,942</u></u>	<u><u>\$ 2,598,875</u></u>

See accompanying Notes to Consolidated Financial Statements.

OPENING DOORS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Federal Grants	\$ 6,903,779	\$ 61,081	6,964,860
State Grants	3,882,673	5,100	3,887,773
Contributions of Nonfinancial Assets	50,137	-	50,137
Contributions	260,407	30,000	290,407
Prosperity Program	518,074	-	518,074
Rental Income	107,347	-	107,347
Loan Fees and Interest	123,617	-	123,617
Program Fees	72,644	-	72,644
Other	1,393	-	1,393
Net Assets Released from Restriction	349,828	(349,828)	-
Total Support and Revenue	<u>12,269,899</u>	<u>(253,647)</u>	<u>12,016,252</u>
EXPENSES AND LOSSES			
Program Services Expense	11,809,399	-	11,809,399
General and Administrative	154,890	-	154,890
Fundraising	150,850	-	150,850
Total Expenses	<u>12,115,139</u>	<u>-</u>	<u>12,115,139</u>
CHANGE IN NET ASSETS	154,760	(253,647)	(98,887)
Net Assets - Beginning of Year	<u>1,865,294</u>	<u>445,278</u>	<u>2,310,572</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,020,054</u></u>	<u><u>\$ 191,631</u></u>	<u><u>\$ 2,211,685</u></u>

See accompanying Notes to Consolidated Financial Statements.

OPENING DOORS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services						General and Administrative	Fundraising	Total
	Microenterprise	Immigration Legal Services	Survivors of Trafficking	Refugee Programs	Other Programs	Program Total			
Salaries	\$ 593,254	\$ 638,097	\$ 420,967	\$ 1,675,126	\$ 237,663	\$ 3,565,107	\$42,116	\$3,240	\$ 3,610,463
Payroll Taxes	51,919	50,930	37,719	145,004	21,023	306,595	3,691	318	310,604
Employee Benefits	125,525	139,535	97,076	303,195	53,529	718,860	19,877	754	739,491
Total Salaries and Related Costs	770,698	828,562	555,762	2,123,325	312,215	4,590,562	65,684	4,312	4,660,558
Client Expenses	190,005	8,949	449,937	1,621,273	31,406	2,301,570	664	147	2,302,381
Contract Services	216,840	186,420	37,230	36,429	23,123	500,042	21,255	9,817	531,114
Loan Administration	41,899	-	-	-	14,441	56,340	250	-	56,590
Occupancy	26,013	36,868	36,966	158,013	83,327	341,187	11,229	-	352,416
Donated Goods	140	-	10	2,115	-	2,265	-	-	2,265
Supplies	3,998	1,677	1,592	10,831	519	18,617	231	10	18,858
Outreach	39	8,229	1,836	3,087	42,727	55,918	(947)	4,992	59,963
Small Equipment Costs	363	745	759	2,729	369	4,965	(281)	-	4,684
Professional Services	36,070	74,127	34,405	123,480	9,481	277,563	74,932	5,224	357,719
Telephone and Internet	1,625	10,610	3,953	29,235	884	46,307	19	106	46,432
Insurance	948	1,262	4,494	6,582	9,240	22,526	11	-	22,537
Donated Services	-	-	-	-	-	-	14,535	-	14,535
Printing and Postage	1,160	1,858	2,169	6,937	1,022	13,146	6	2,920	16,072
Depreciation and Amortization	-	-	-	(50)	42,004	41,954	32,711	-	74,665
Staff Related Costs	698	4,355	71	7,620	21	12,765	2,235	5	15,005
Dues and Subscriptions	118	696	776	548	37	2,175	2	1,088	3,265
Interest Expense	-	-	-	-	-	-	-	-	-
Miscellaneous	2,199	3,228	2,957	8,377	60,804	77,565	2,153	12,945	92,663
Non-Operating Expenses	-	-	-	99,673	-	99,673	-	-	99,673
Total Expenses by Function	\$ 1,292,813	\$ 1,167,586	\$ 1,132,917	\$ 4,240,204	\$ 631,620	\$ 8,465,140	\$ 224,689	\$ 41,566	\$ 8,731,395

See accompanying Notes to Consolidated Financial Statements.

OPENING DOORS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services						General and Administrative	Fundraising	Total
	Microenterprise	Immigration Legal Services	Survivors of Trafficking	Refugee Programs	Other Programs	Program Total			
Salaries	\$ 748,891	\$ 646,697	\$ 479,085	\$ 2,145,903	\$ 148,783	\$ 4,169,359	\$11,554	\$67,158	\$ 4,248,071
Payroll Taxes	66,693	58,179	41,041	183,593	13,996	363,502	3,177	5,990	372,669
Employee Benefits	151,887	201,687	108,869	422,650	33,700	918,793	64,115	13,960	996,868
Total Salaries and Related Costs	967,471	906,563	628,995	2,752,146	196,479	5,451,654	78,846	87,108	5,617,608
Client Expenses	100,746	5,980	541,388	3,276,635	31	3,924,780	56	-	3,924,836
Contract Services	93,793	44,790	51,134	758,627	16,868	965,212	10,200	50,846	1,026,258
Loan Administration	27,307	-	-	-	561	27,868	(25)	-	27,843
Occupancy	47,721	43,394	34,012	236,843	97,259	459,229	8,394	1,986	469,609
Donated Goods	1,065	425	1,175	37,744	505	40,914	-	-	40,914
Supplies	6,529	2,008	1,930	43,776	212	54,455	13	128	54,596
Outreach	2,700	4,239	2,209	176,870	1,723	187,741	2,729	2,289	192,759
Small Equipment Costs	926	816	695	3,130	76	5,643	-	39	5,682
Professional Services	72,388	30,617	38,461	347,906	4,572	493,944	2,547	2,646	499,137
Telephone and Internet	6,609	2,622	6,298	37,217	226	52,972	-	995	53,967
Insurance	1,839	1,527	1,424	8,364	1,432	14,586	-	84	14,670
Donated Services	-	-	-	-	-	-	9,223	-	9,223
Printing and Postage	3,827	2,849	2,456	17,286	298	26,716	38	1,244	27,998
Depreciation and Amortization	-	-	-	-	53,718	53,718	30,650	-	84,368
Staff Related Costs	36	146	-	6,316	-	6,498	11,546	80	18,124
Dues and Subscriptions	-	238	238	350	-	826	648	108	1,582
Interest Expense	2,000	-	-	85	-	2,085	-	-	2,085
Miscellaneous	3,379	3,078	2,695	11,905	19,501	40,558	25	3,297	43,880
Total Expenses by Function	\$ 1,338,336	\$ 1,049,292	\$ 1,313,110	\$ 7,715,200	\$ 393,461	\$ 11,809,399	\$ 154,890	\$ 150,850	\$ 12,115,139

See accompanying Notes to Consolidated Financial Statements.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 387,190	\$ (98,887)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	74,665	84,368
Bad Debt Expense (Recovery)	28,069	4,240
Noncash Lease Expense	(48,866)	10,793
Gain on sale of equipment	164,878	-
Changes in Operating Assets and Liabilities:		
Grants and Program Receivables	1,155,171	136,702
Contract Assets	-	999
Client Loans Receivable	50,983	(35,151)
Prepaid Expenses and Deposits	(1,506)	7,178
Accounts Payable	(466,415)	98,256
Accrued Expenses	(48,276)	26,951
Deferred Revenue	1,035,355	279,380
Net Cash Provided by Operating Activities	2,331,248	514,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Client Loans Made	(203,300)	(203,300)
Collections on Client Loans	87,770	87,770
Purchases of Property and Equipment	-	(54,488)
Proceeds from sale of equipment	1,125,000	-
Net Cash Provided (Used) by Investing Activities	1,009,470	(170,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Mortgage Loan	250,000	938
Principal Payments on Notes Payable	(1,005,476)	(90,456)
Net Cash Provided (Used) by Financing Activities	(755,476)	(89,518)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2,585,242	255,293
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	1,235,472	980,179
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 3,820,714</u>	<u>\$ 1,235,472</u>
	2025	2024
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 52,735</u>	<u>\$ 52,735</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCES		
Cash and Cash Equivalents	\$ 3,191,897	\$ 895,004
Restricted Cash and Loan Loss Reserves	628,817	340,468
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 3,820,714</u>	<u>\$ 1,235,472</u>

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 consolidated financial statements. The policies reflect industry practices and conform to the accounting principles generally accepted in the United States of America.

Agency

The Agency envisions a world where migrants and refugees lead lives of joy and belonging, embraced by a welcoming community. The Agency enriches communities by supporting immigrants, refugees, and survivors of trafficking on their path to stability, self-sufficiency and belonging. The journey of immigrants, refugees, and survivors of human trafficking coming to the U.S. is complicated, exhausting and often dangerous. Many are not only leaving difficult circumstances – they experience new challenges as soon as they arrive. From financial to language barriers, bureaucratic to cultural barriers – the obstacles can be overwhelming. Opening Doors, Inc. works to ensure all newcomers have the tools they need to thrive.

The Agency began in 1993 as a small refugee resettlement agency then called the Sacramento Refugee Ministry. In 2003, the Agency incorporated as a 501(c)(3) nonprofit Agency. In 2004, the Agency became a Community Development Financial Institution (CDFI).

The Agency's current programs include:

Welcoming Refugees – The Agency's Refugee Programs provide resettlement case management, trauma counseling, housing, and other vital services to refugees as they establish their lives in their new communities.

Defending Immigrants – The Agency's Immigration Legal Services Program defends immigrants by providing legal services, including asylum applications, deportation relief, DACA, and citizenship applications.

Supporting Survivors – The Agency's Survivors of Human Trafficking Program promotes survivors' self-sufficiency through case management, skills-building, mental health care, and other supportive services.

Helping Heal Past Trauma – The Agency's Mental Health Program empowers immigrants' and refugees' health through online support groups and culturally-responsive and trauma-informed individual and family counseling.

Expanding Economic Opportunity – The Agency's Economic Prosperity Program supports the financial stability of immigrants and refugees through career pathway development and microenterprise business consulting services and loans.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The accompanying consolidated financial statements include accounts of Opening Doors, Inc., Welcome House LLC, and Pathways to Prosperity, Inc.

Welcome House LLC

Welcome House LLC is a single member LLC solely owned by Opening Doors, Inc. While Opening Doors, Inc. has not historically considered itself a “housing-focused” organization, its 2019 strategic planning process identified its region’s lack of affordable, safe permanent housing as barriers to its client’s successful outcomes across program areas. The pressure of a lack of adequate housing was especially felt in the Agency’s Refugee Resettlement and Survivors of Trafficking programs.

In 2021, the Greater Sacramento Economic Council estimated that the Sacramento region needed around 154,000 housing units over the next eight years and roughly 62,000 housing units for low-income or very low-income families and individuals. In 2022, renters in Sacramento County needed to earn \$31.25 per hour - 2.1 times the state minimum wage - to afford the average monthly asking rent of \$1,625. In combination with the U.S. government pulling out of Afghanistan, and Opening Doors, Inc. experiencing some of the highest monthly refugee arrivals in its history a need developed to internally address the precarious housing situation in the region.

With cash reserves large enough, the board decided to invest a portion of the funds into a natural solution to both challenges, which was through the financing of a multi-family property by Welcome House LLC. This purchase allowed the Agency to rent to their clients at affordable rates while also investing a portion of their cash in an asset. This solution is directly in line with the Agency’s mission of enriching communities by supporting immigrants, refugees, and survivors of trafficking on their path to stability, self-sufficiency and belonging. For many of its clients, the first step towards stability is adequate permanent housing.

Pathways to Prosperity, Inc.

In addition to being a 501(c)(3) nonprofit, Opening Doors is a certified Community Development Financial Institution (CDFI). As a CDFI, the Agency provides microloans and business counseling to immigrants, refugees, survivors of human trafficking, and other eligible populations.

The U.S. Treasury Department, which has oversight over CDFIs, has updated its rules governing CDFI certification. These rules assess the organizations’ legal entity, primary mission, predominance of the use of the organization’s assets and staff time, target market, accountability, technical assistance provision, and nongovernmental status.

While the Agency believes that they will meet most of the new rules, they do not believe they will meet the rule regarding financing, as the majority of the Agency’s assets and staff time are dedicated to non-lending activities.

Therefore, the Agency has created a separate legal entity, “Pathways to Prosperity” (P2P). The Agency has established a corporation, and in the next year will file for its nonprofit status and apply for P2P’s CDFI certification.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

Intercompany transactions and balances have been eliminated upon consolidation.

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.

Leases

The Agency leases suites in office buildings in Sacramento and Yuba City, California and an office copier. The Agency determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use assets, lease liabilities, current portion - operating and lease liabilities, noncurrent portion - operating on the consolidated statements of financial position.

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Agency uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating contracts to determine if they qualify as a lease, the Agency considers factors such as if the Agency has obtained substantially all of the rights to the underlying asset through exclusivity, if the Agency can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Agency has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

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.

Grants and Program Receivables

Grants and program receivable represent expenditures for which reimbursement has been requested but not yet received. The Agency considers grants and program receivables to be fully collectible; accordingly, no allowance for credit losses is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made. At December 31, 2025 and 2024, five and two grantors, respectively, accounted for approximately 96% and 82%, respectively, of grants and program receivables. Grants and program receivables as of December 31, 2025 and 2024, are \$1,321,277 and \$2,082,747, respectively.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Client Loans Receivable

Client loans consist of amounts loaned to individuals through the Prosperity Program. 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 is charged at rates ranging from 7.5% to 8.5%. Loan fees and interest are recognized when earned. The Agency carries loans receivable at the face amount less a reserve for estimated credit losses. In accordance with ASC 326, the Agency estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. As of December 31, 2025 and 2024 the estimated reserve for credit losses was determined to be \$0 & \$11,798, respectively.

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, 2025 and 2024.

Loans Receivable are summarized as the following at December 31:

	2025	2024
Other Loans	\$ 300,549	\$ 247,471
Prosperity Program Microloans - SBA	224,548	250,786
Prosperity Program Refugee Microenterprise Development Loans	243,305	245,777
Subtotal	768,402	744,034
Less: Allowance for Loan Losses	-	11,798
Add: Accrued Loan Interest	4,402	4,090
Client Loans Receivable, Net	<u>\$ 772,804</u>	<u>\$ 736,326</u>
Current Portion	\$ 358,532	\$ 319,412
Noncurrent Portion	414,272	416,914
Total	<u>\$ 772,804</u>	<u>\$ 736,326</u>

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

	2025	2024
Microloan Revolving Fund	\$ 325,970	\$ 168,141
Loan Loss Reserve Fund	266,442	130,131
CalCap Loan Loss Reserve Fund	36,405	42,196
Total	<u>\$ 628,817</u>	<u>\$ 340,468</u>

Property and Equipment

The Agency records property and equipment additions over \$2,000 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 consolidated 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.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Agency's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

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 consolidated statements of activities and changes in net assets 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 consolidated 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 consolidated financial statements since these services are not professional in nature, and, as such, do not meet the criteria for recognition as contributed services.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind Contributions (Continued)

For the years ended December 31, contributed nonfinancial assets recognized within the consolidated statements of activities and changes in net assets included:

Nonfinancial Contributions Category	Type of Contributions for Beneficiaries	Valuation	Donor Restriction	2025	2024
Miscellaneous Items	Clothing, Household Goods, Food and Gift Cards	The Salvation Army's Donated Valuation Guide Pricing for identical or similar products. Gift Cards valued at FMV.	No Donor Restriction	16,800	40,914
Services	Various Legal Matters	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal services.	No Donor Restriction	-	9,223
Total				<u>\$ 16,800</u>	<u>\$ 50,137</u>

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 the 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 the 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.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

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. The Agency has conditional grants in the amount of \$727,865 and \$1,379,524 that have not been recognized as of December 31, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred, with an advance payment of \$722,124 and \$795,952, recognized in the consolidated statements of financial position as contract liabilities as of December 31, 2025 and 2024, respectively.

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 consolidated 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 consolidated 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.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on the consolidated statements of activities and changes in net assets 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.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 consolidated financial statements. The preparation of the consolidated 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 consolidated financial statements.

Estimates

The preparation of consolidated 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 consolidated 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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Management have evaluated subsequent events through July 14, 2026, the date the consolidated financial statements were available to be issued.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 consolidated statement of financial position date, comprise the following as of December 31:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,191,897	\$ 895,004
Grants and Program Receivables	1,374,539	2,529,710
Client Loans Receivable	772,804	736,326
Restricted Cash and Loan Loss Reserves	628,817	340,468
Total Financial Assets	<u>5,968,057</u>	<u>4,501,508</u>
Less Amounts Not Available to be Used Within One Year:		
Contractual or Donor-Imposed Restrictions:		
Restricted by Donor with Time or Purpose Restriction	255,942	191,631
Contract Liabilities	1,875,679	840,324
Restricted Cash and Loan Loss Reserves	628,817	340,468
Client Loan Receivable, Noncurrent Portion	414,272	416,914
Subtotal	<u>\$ 3,174,710</u>	<u>\$ 1,789,337</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 2,793,347</u>	<u>\$ 2,712,171</u>

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

NOTE 3 CONTRACT BALANCES

Contract liabilities are summarized as follows at December 31:

	2025	2024	2023	2022
Deferred Revenue - Refugee Resettlement	\$ 891,969	\$ 444,652	\$ 15,446	\$ 91,451
Deferred Revenue - Open 4 Business	-	-	38,121	114,587
Deferred Revenue - ILS CDSS	-	-	83,735	132,998
Deferred Revenue - Women's Recovery Response	-	-	-	25,132
Deferred Revenue - Advances	370,313	180,924	258,895	-
Deferred Revenue - CalMHSA	46,085	61,340	164,747	-
Deferred Rev-Sub. Interes	8,814	13,549	-	-
Deferred Rev - IDA Match	13,177	7,261	-	-
Deferred Rev - OCPSC	-	67,390	-	-
Deferred Rev-covered CA-Nav	44,031	15,856	-	-
Deferred Rev-covered CA-Out	-	49,352	-	-
Refundable Advances- Recov Resp	221,718	-	-	-
Deferred Rev-Region Netwrk HUB	250,633	-	-	-
Deferred Rev - CalATJ Infr	15,225	-	-	-
Deferred Rev - CalATJ Supp	13,714	-	-	-
Total	<u>\$ 1,875,679</u>	<u>\$ 840,324</u>	<u>\$ 560,944</u>	<u>\$ 364,168</u>

The Agency had Contract assets in the amounts of \$-0- as of December 31, 2025, 2024, 2023 and 2022.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the statement of financial condition date. Loan losses are charged off against the allowance for credit losses on loans when the Agency determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans. Loans are charged off against the allowance for credit losses on loans in the period in which they are deemed uncollectible and recoveries are credited to the allowance for credit losses on loans when received. Expected recoveries on loans previously charged off and expected to be charged-off are included in the allowance for credit losses on loans estimate.

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix as well as for changes in environmental conditions, such as changes property values, or other relevant factors.

Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Agency.

The Agency provides loans to individuals through Program Prosperity Loans. The Agency carries loans receivable at the face amount less a reserve for estimated credit losses. In accordance with ASC 326, the Agency recorded an allowance for loan losses of \$0 and \$11,798 as of December 31, 2025 and 2024. The Agency estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts.

The following table represents the Agency's estimate expected credit loss as of December 31, 2025:

Past Due Status	Amortized Cost Basis	Historical Credit Loss Rate	Expected Credit Loss Rate	Expected Credit Loss Estimate
Current	\$ -	1.27%	1.50%	\$ -
31-60 Days Past Due	\$ -	0.83%	1.00%	\$ -
61-90 Days Past Due	\$ -	1.38%	1.50%	\$ -
More Than 90 Days Past Due	\$ -	0.91%	1.00%	\$ -
Total	\$ -			\$ -

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2025	2024
Land	\$ -	\$ 213,701
Buildings	-	1,136,299
Equipment	61,085	61,085
Furniture and Fixtures	94,542	200,740
Leasehold Improvements	58,886	58,886
Software Programs	3,924	3,924
Subtotal	218,437	1,674,635
Less: Accumulated Depreciation	140,554	232,209
Total Property and Equipment, Net	<u>\$ 77,883</u>	<u>\$ 1,442,426</u>

Depreciation and amortization expense totaled \$74,665 and \$84,368 for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 NOTES PAYABLE

The Agency has a note payable to the U.S. Small Business Administration (SBA) with zero interest, as long as the proceeds go toward making micro loans. The note matures May 19, 2026. Monthly principal payments amount to \$3,284. As of December 31, 2025 and 2024, \$19,701 and \$86,053, respectively, was outstanding. The loan is secured by the security interest in all funds held in the microloan revolving funds and loan loss reserve funds, and microloan notes made.

The Agency has a note payable to First-Citizens Bank and Trust Company for the purpose of financing the acquisition of a multi-family property. Principal and interest payments amount to \$6,586 and are due monthly until July 1, 2032 when the remaining outstanding balance is due. As of December 31, 2025 and 2024, \$0 and \$932,783, respectively, was outstanding. The loan was secured by a deed of trust on the multi-family property for which financing was obtained. When the property was sold, the loan was paid off in full during the year ended December 31, 2025.

The Agency has a note payable to U.S. Small Business Administration (SBA) with variable interest based on the amount of micro loans made by the Agency. The note matures May 19, 2033. Monthly principal and interest payments amount to \$2,591. As of December 31, 2025 and 2024, \$209,262 and \$208,132, respectively was outstanding. The loan is secured by deposit accounts.

The Agency has a note payable to U.S. Small Business Administration (SBA) with variable interest based on the amount of micro loans made by the Agency. The note matures April 4, 2035. Monthly principal and interest payments amount to \$7,823. As of December 31, 2025 and 2024, \$253,965 and \$0, respectively was outstanding. The loan is secured by deposit accounts.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 6 NOTES PAYABLE (CONTINUED)

The Agency has a note payable Credit Builders Alliance (CBA) with fixed interest of 2%. The note matures February 1, 2027. Annual principal and interest payments beginning on February 1, 2025 and amount to \$34,675. As of December 31, 2025 and 2024, \$67,325 and \$100,000 was outstanding.

Debt issuance costs are deferred and amortized using the effective interest method over the life of the notes as part of interest expense. As of December 31, 2025 and 2024, accumulated amortization of debt issuance costs amounted to \$6,161 and \$225, respectively.

Scheduled annual principal payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 105,405
2027	83,527
2028	54,714
2029	55,923
2030	57,159
Thereafter	184,349
Subtotal	541,077
Less: Unamortized Debt Issuance Costs	-
Total	<u>\$ 541,077</u>

NOTE 7 LINE OF CREDIT

The Agency has a \$650,000 revolving line of credit with a bank, secured by accounts receivable and deposit accounts. Borrowings under the line bear interest at the bank's prime rate plus 1.00%, or a floor of 6.00% (8.50% at December 31, 2025). There were no draws on the line of credit as of December 31, 2025 and 2024.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2025</u>	<u>2024</u>
Subject to the Passage of Time or Expenditure for Specified Purpose:		
Micro Lending	\$ 195,080	\$ 110,769
Laptop Donation	10,800	10,800
Immigration Legal Services	5,100	5,100
Economic Prosperity Program	-	20,000
Women's Literacy	35	35
Refugee Programs	5,000	5,000
Prosperity Program	28,326	28,326
Health Program	11,567	11,567
Survivors of Trafficking	34	34
Total Net Assets With Donor Restrictions	<u><u>\$ 255,942</u></u>	<u><u>\$ 191,631</u></u>

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:

	<u>2025</u>	<u>2024</u>
Purpose Restrictions Accomplished:		
Micro Lending	\$ -	\$ 8,148
Economic Prosperity Program	29,906	10,000
Immigration Legal Services	10,060	-
Laptop Donation	-	284,850
Refugee Programs	-	39,854
Health Programs	-	170
Survivors of Trafficking	-	679
Prosperity Program	-	6,127
Total Restrictions Released	<u><u>\$ 39,966</u></u>	<u><u>\$ 349,828</u></u>

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 LEASES

Operating Leases

The Agency leases a portion of an office building under an operating lease in Sacramento, California that expires May 31, 2027, and in Yuba City that expires July 31, 2025. The Agency leases a copier that expires March 31, 2025. The lease of a portion of an office building provides for a renewal option of five years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Agency's leases for the year ended December 31, 2025 and 2024:

Lease Cost:	2025	2024
Operating Lease Cost	\$ 250,145	\$ 302,703
Short-Term Lease Cost	11,801	15,790
Total Lease Cost	<u>\$ 261,946</u>	<u>\$ 318,493</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 246,300	\$ 291,910
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities:	9,487	6,259
Weighted-Average Remaining Lease Term - Operating		
Leases	1.7 Years	2.4 Years
Weighted-Average Discount Rate - Operating Leases	4.45%	4.45%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025, is as follows:

<u>Year Ending December 31,</u>	<u>Operating</u>
2026	\$ 199,184
2027	152,854
2028	2,508
2029	836
Total Lease Payments	<u>355,382</u>
Less: Interest	<u>(13,150)</u>
Present Value of Lease Liabilities	<u>\$ 342,232</u>

Short-Term Leases

The Agency leases two storage facilities under a month-to-month lease in Sacramento, California. The Agency leases a housing facility used for client housing under a month-to-month lease in Orangevale, California.

OPENING DOORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 LEASES (CONTINUED)

Short-Term Leases (Continued)

The Agency has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Agency is reasonably certain to exercise. The Agency recognizes the lease payments in profit and loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

Total expenses for all leases for the years ended December 31, 2025 and 2024 totaled \$261,946 and \$318,493, respectively.

NOTE 10 CONCENTRATIONS OF CREDIT AND MARKET RISK

Concentration of Grants

For the years ended December 31, 2025 and 2024, approximately 81% and 82%, respectively, of the funding for the Agency's programs was provided from grants through three and three funders, respectively.

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. Management believes that based on their scenario planning, ODI would be able to continue to operate even if they were to lose all Federal funding.

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.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF CONSOLIDATED 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 consolidated financial statements of Opening Doors, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Opening Doors, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opening Doors, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Opening Doors, Inc.'s 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.

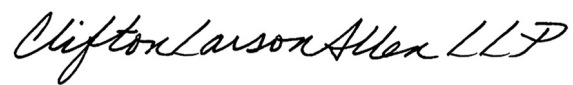
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Opening Doors, Inc.'s consolidated 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 consolidated financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
July 14, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT 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

Opinion on Each Major Federal Program

We have audited Opening Doors, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Opening Doors, Inc.'s major federal programs for the year ended December 31, 2025. Opening Doors, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Opening Doors, Inc. complied, in all material respects, with the 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, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Opening Doors, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Opening Doors, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Opening Doors, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Opening Doors, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Opening Doors, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Opening Doors, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Opening Doors, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Opening Doors, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Opening Doors, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Opening Doors, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be material weaknesses.

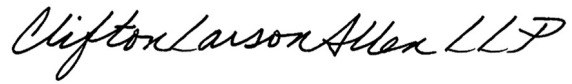
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Opening Doors, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Opening Doors, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors
Opening Doors, Inc.

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Roseville, California
July 14, 2026

OPENING DOORS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor Program Title (Cluster)	Federal ALN Number	Direct (or) Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S Department of State				
<i>Passed through Church World Services</i>				
U.S. Refugee Admissions Program	19.510	SPRMCO24CA0322	\$ -	\$ 2,353,345
U.S. Department of Health & Human Services				
<i>Passed through Church World Services</i>	93.576	90RP0120	-	1,398,121
U.S. Department of Health & Human Services				
<i>Direct</i>				
Refugee and Entrant Assistance Discretionary Grants	93.576	90RG0243-03-00	-	133,384
Refugee and Entrant Assistance Discretionary Grants	93.576	90RG0243-04-00	-	27,132
Refugee and Entrant Assistance Discretionary Grants	93.576	90RG0225-01-00	-	141,884
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZI0174-02-00	-	258,853
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZI0174-03-00	-	52,485
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZQ0011-01-00	-	165,658
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZQ0011-02-00	-	45,277
<i>Passed through Council on American-Islamic Relations, Greater Los Angeles</i>				
Refugee and Entrant Assistance Discretionary Grants	93.576	ALSP23-0001	-	154,168
<i>Passed through California Department of Social Services</i>				
Refugee and Entrant Assistance Discretionary Grants	93.576	ANSP25-34-ODI	-	233,273
Refugee and Entrant Assistance Discretionary Grants	93.576	UNSP25-20-ODI	-	54,756
<i>Passed through Los Rios Community College District</i>				
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZM0036-01-00	-	40,695
Refugee and Entrant Assistance Discretionary Grants	93.576	90ZM0063-01-00	-	53,273
<i>Passed Through Sacramento Employment Training Agency</i>				
Community Services Block Grant (477 Cluster)	93.569	24C181SN(E)	-	74,329
U.S. Small Business Administration				
<i>Direct</i>				
Microloan Program	59.046	SBAOCAML240617-01-00	-	46,611
Microloan Program	59.046	SBAOCAML250791-01-00	-	34,758
U.S. Department of Housing and Urban Development				
<i>Direct</i>				
Continuum of Care	14.267	CA1833D9T032304	-	479,152
U.S. Department of the Treasury				
<i>Passed Through Community Development Financial Institutions Fund</i>				
Community Development Financial Institutions Program	21.020	231TA064249	-	102,029
Total Expenditures of Federal Awards			\$ -	\$ 5,849,184

See accompanying Notes to Schedule of Expenditures of Federal Awards.

OPENING DOORS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of Opening Doors, Inc. (the Agency) for the year ended December 31, 2025. 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 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 consolidated 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.

NOTE 4 ASSISTANCE LISTING NUMBERS (ALN)

The program titles and ALN numbers were obtained from the federal or pass-through grantor or the 202 Assistance Listing Numbers. When no ALN number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used.

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements:

Summary of Auditors' Results

Type of Auditors' Report Issued:

Unmodified

Internal Control over Financial Reporting:

Material Weaknesses Identified?

_____ Yes X No

Significant Deficiencies Identified?

_____ Yes X No

Noncompliance Material to Financial Statements
noted?

_____ Yes X No

Federal Awards:

Internal Controls over Major Program:

Material Weaknesses Identified?

 X Yes _____ No

Significant Deficiencies Identified?

 X Yes _____ No

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)

 X Yes _____ No

Identification of major programs:

Name of Federal Programs:

Assistance Listing Number

Refugee and Entrant Assistance Discretionary Grants

93.576

Dollar threshold used to distinguish between Type A and
Type B programs:

\$1,000,000

Auditee qualified as a low-risk auditee?

_____ Yes X No

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

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

2025-001

Federal Agency: U.S. Department of Health & Human Services

Federal Program Name: Refugee and Entrant Assistance Voluntary Agency Programs

Assistance Listing Number: 93.576

Federal Award Identification Number and Year: Various, see below

Pass-Through Agency: Various, see below

Pass-Through Number: Various, see below

Award Period: Various, see below

Compliance Requirement Affected: Reporting

Direct Agency Pass Through Entity	Direct Award number (or) Pass Through Number	Award Period
U.S. Department of Health & Human Services (Direct)		
	90RG0225-01-00	9/30/22-9/29/25
	90ZI0174-02-00	9/30/22-9/29/27
	90RG0243-04-00	9/30/22-9/29/27

U.S. Department of Health & Human Services

Passed through Los Rios Community College District

90ZM0036-01-00	1/1/23-9/29/25
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Type of Finding:

Material Weakness in Internal Control over Compliance and Material Noncompliance

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025–001 (continued)

Criteria:

Management is required to maintain documentation evidencing supervisory review and approval of financial and performance reports prior to submission and retain copies of submitted reports to demonstrate compliance with federal reporting requirements and support audit testing.

Condition:

CLA was unable to:

- Obtain evidence of management review for one selected financial report
- View submission of three final financial reports
- View the proper report for one selected Performance Report.

Questioned Costs:

None noted

Context:

A nonstatistical sample of 6 of 17 Financial Reports and 8 of 42 Performance reports were selected for testing for the Refugee and Entrant Assistance Voluntary Agency Programs program. The condition noted above was identified during our procedures over ODI's Reporting Federal compliance requirements.

Effect:

The absence of review documentation and submitted reports prevented CLA from verifying that required financial reports were reviewed, approved, and submitted in accordance with grant requirements. This increases the risk of inaccurate reporting, untimely submissions, and noncompliance with federal reporting requirements.

Cause:

Management indicated that the missing review support and report documentation occurred during a transitional period involving new staff and management. Additionally, delays in accounting processes, PMS system input/submission errors, and difficulties reconciling those errors contributed to reports not being submitted timely and related documentation not being retained.

Repeat Finding:

The finding is a repeat finding.

Recommendation:

CLA recommends management strengthen controls over reporting by implementing formal procedures to (1) document and retain evidence of supervisory review and approval, (2) maintain copies of all submitted reports and supporting documentation in a centralized location, and (3) establish monitoring procedures to ensure reports are submitted timely and submission evidence is retained for audit purposes.

Management's Views:

See Separate Corrective Action Plan.

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025-002

Federal Agency: U.S. Department of Health & Human Services

Federal Program Name: Refugee and Entrant Assistance Voluntary Agency Programs

Assistance Listing Number: 93.576

Federal Award Identification Number and Year: Various, see below

Pass-Through Agency: Various, see below

Pass-Through Number: Various, see below

Award Period: Various, see below

Compliance Requirement Affected: Eligibility

Direct Agency Pass Through Entity	Direct Award number (or) Pass Through Number	Award Period
U.S. Department of Health & Human Services (Direct)		
	90ZQ0011-01-0	9/30/24-9/29/28
U.S. Department of Health & Human Services		
<i>Passed through Council on American-Islamic Relations, Greater Los Angeles</i>		
	ALSP23-0001	10/1/24-10/31/26

Type of Finding:

Significant Deficiency in Internal Control over Compliance

OPENING DOORS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2025–002 (Continued)

Criteria:

Program eligibility determinations should be supported by completed intake documentation and evidenced by supervisory review and approval in accordance with the organization's established eligibility determination procedures.

Condition:

CLA noted the selected intake form/applications did not contain the Program Manager's signature or other evidence of review and approval. As a result, CLA was unable to verify that the eligibility determination was reviewed and approved in accordance with established procedures.

Questioned Costs:

None noted

Context:

A nonstatistical sample of 40 of over 250 clients served were selected for testing for the Refugee and Entrant Assistance Voluntary Agency Programs program. The condition noted above was identified during our procedures over ODI's Eligibility Federal compliance requirements.

Effect:

Without documented review and approval, there is an increased risk that individuals who do not meet program eligibility requirements could be approved for services, resulting in noncompliance with federal program requirements and potential questioned costs.

Cause:

Management did not consistently document supervisory review and approval of intake forms/applications or retain evidence demonstrating that the required review control was performed.

Repeat Finding:

The finding is not a repeat finding.

Recommendation:

CLA recommends management strengthen controls over eligibility determinations by requiring Program Managers to document and retain evidence of review and approval of all intake forms/applications before services are provided. Management should also implement periodic monitoring procedures to ensure review approvals are consistently documented and maintained for audit purposes.

Management's Views:

See Separate Corrective Action Plan.



**Opening Doors, Inc.
Corrective Action Plan
Year Ended December 31, 2025**

Audit Period: January 1, 2025 – December 31, 2025

Opening Doors, Inc. (ODI) respectfully submits this corrective action plan in response to the audit findings detailed in the schedule of findings and questioned costs. The findings are numbered consistently with those assigned in the original schedule.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2025-001: Documentation of Supervisory Review and Submission

Auditor's Recommendation: Strengthen controls over reporting by implementing formal procedures to (1) document and retain evidence of supervisory review and approval, (2) maintain copies of all submitted reports and supporting documentation in a centralized location, and (3) establish monitoring procedures to ensure reports are submitted timely and submission evidence is retained for audit purposes.

Management Response: While the findings do not result in any questioned costs, ODI does not disagree and appreciates the recommendation.

Corrective Action: These findings are largely a result of staff turnover. In addition to the auditor's recommendations above, ODI will implement a plan to cross-train staff and prepare desk procedures to document the steps required to prepare, review, submit, and retain the reports.

Responsible Personnel: Mark Dawson, COO
Implementation Date: Immediate implementation

Finding 2025-002: Intake Forms-Evidence of Manager Review or Approval

Auditor's Recommendation: Strengthen controls over eligibility determinations by requiring Program Managers to document and retain evidence of review and approval of all intake forms/applications before services are provided. Management should also

implement periodic monitoring procedures to ensure review approvals are consistently documented and maintained for audit purposes.

Management Response: ODI is diligent in understanding and implementing the steps necessary to review and collect the required documentation to determine client eligibility for programs. Due to the large number of clients serviced and the volume of documents collected and reviewed, many of the programs track eligibility via proprietary online portals provided by the funders to capture and document the steps performed to determine eligibility. These portals automatically determine whether a client is eligible based on the information provided. The Program Managers see the client eligibility on the portal when they assign caseworkers to the clients, but there is no formal Program Manager signature provided or captured in the portal.

Corrective Action:

- Regarding the specific program 90ZQ(I)011-01-0 Support for Trauma-Affected Refugees (STAR) referenced in this finding, client eligibility is determined by requirements established by the Office of Refugee Resettlement (ORR) that apply to other programs administered by ODI. To address the auditor's recommendation regarding this program, ODI will set up a procedure to review and retain documentation for clients entering the STAR program or who were referred from other ORR programs showing they are eligible to receive the STAR services.
- Regarding the specific program ALSP23-0001 Afghan Legal Services Project (ALSP), ODI has serviced, and is still servicing, approximately 500 clients. Although ODI asserts that it has and retains the documentation to demonstrate client eligibility for this program, to address the auditor's recommendation, ODI will set up a procedure to track and document that the program manager will approve.

Responsible Personnel: Mao Vang, Health & SOT Program Director; Alyssa Eckels, ILS Program Director

Implementation Date: Immediate implementation



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.