



**AUDITED FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS**

OPENING DOORS, INC.

December 31, 2017

OPENING DOORS, INC.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors,
Opening Doors, Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of Opening Doors, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

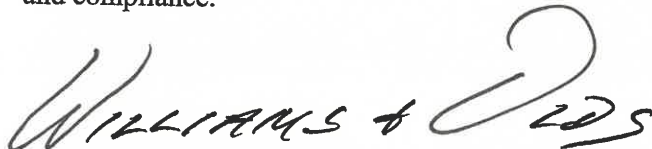
Other Matters

Other Information

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 information 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 July 31, 2018, on our consideration of Opening Doors, Inc.'s 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 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 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.'s internal control over financial reporting and compliance.



Sacramento, California

July 31, 2018

OPENING DOORS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 294,057	\$ 49,397
Grants and program receivables	518,997	686,323
Client loans receivable, current portion	320,854	340,137
Prepaid expenses and deposits	25,610	13,458
TOTAL CURRENT ASSETS	1,159,518	1,089,315
NON-CURRENT ASSETS		
Restricted cash	210,378	331,271
Property and equipment, net	12,509	18,948
Restricted loan loss reserves	69,602	54,008
Client loans receivable, non-current portion	465,897	220,913
	535,499	274,921
TOTAL NON-CURRENT ASSETS	758,386	625,140
TOTAL ASSETS	\$ 1,917,904	\$ 1,714,455
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 52,278	\$ 67,310
Accrued expenses	119,488	100,298
Notes payable, current portion	47,100	37,100
Deferred revenue	16,179	43,824
TOTAL CURRENT LIABILITIES	235,045	248,532
NON-CURRENT LIABILITIES		
Funds reserved for loans	-	30,000
Notes payable, non-current portion	301,758	253,858
TOTAL NON-CURRENT LIABILITIES	301,758	283,858
COMMITMENTS		
	-	-
NET ASSETS		
Unrestricted	1,262,200	967,039
Temporarily restricted	118,901	215,026
	1,381,101	1,182,065
TOTAL LIABILITIES AND NET ASSETS	\$ 1,917,904	\$ 1,714,455

See accompanying notes to the financial statements.

OPENING DOORS, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2017 and 2016

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
SUPPORT AND REVENUE				
Federal grants	\$ 2,653,323	\$ 224,087	\$ 2,877,410	\$ 33,402
Foundation and other grants	724,424	-	724,424	-
Contributions	204,062	37,230	241,292	4,515
In-kind contributions	83,836	-	83,836	-
Loan fees and interest	60,835	-	60,835	-
Special events, net of direct expenses of \$3,382 in 2017 and \$2,078 in 2016	32,730	-	32,730	-
Program fees	10,324	-	10,324	-
Other	12,617	-	12,617	-
<i>Net assets released from restrictions</i>	<u>357,442</u>	<u>(357,442)</u>	<u>-</u>	<u>(162,302)</u>
TOTAL SUPPORT AND REVENUE	4,139,593	(96,125)	4,043,468	(124,385)
EXPENSES				
Program services	3,594,391	-	3,594,391	-
General and administrative	227,146	-	227,146	-
Fundraising	22,895	-	22,895	-
TOTAL EXPENSES	3,844,432	-	3,844,432	-
CHANGE IN NET ASSETS	295,161	(96,125)	199,036	(124,385)
NET ASSETS AT BEGINNING OF YEAR	967,039	215,026	1,182,065	339,411
NET ASSETS AT END OF YEAR	\$ 1,262,200	\$ 118,901	\$ 1,381,101	\$ 215,026
	<u>\$ 967,039</u>	<u>\$ 215,039</u>	<u>\$ 967,039</u>	<u>\$ 215,026</u>
	<u>\$ 2,262,356</u>	<u>\$ 33,402</u>	<u>\$ 2,295,758</u>	<u>\$ 2,295,758</u>
	<u>206,313</u>	<u>-</u>	<u>206,313</u>	<u>-</u>
	<u>283,962</u>	<u>4,515</u>	<u>288,477</u>	<u>4,515</u>
	<u>121,605</u>	<u>-</u>	<u>121,605</u>	<u>-</u>
	<u>35,596</u>	<u>-</u>	<u>35,596</u>	<u>-</u>
	<u>27,923</u>	<u>-</u>	<u>27,923</u>	<u>-</u>
	<u>44,104</u>	<u>-</u>	<u>44,104</u>	<u>-</u>
	<u>215</u>	<u>-</u>	<u>215</u>	<u>-</u>
	<u>162,302</u>	<u>(162,302)</u>	<u>-</u>	<u>(162,302)</u>
	<u>3,144,376</u>	<u>(124,385)</u>	<u>3,019,991</u>	<u>3,019,991</u>
	<u>2,417,462</u>	<u>-</u>	<u>2,417,462</u>	<u>-</u>
	<u>234,818</u>	<u>-</u>	<u>234,818</u>	<u>-</u>
	<u>21,568</u>	<u>-</u>	<u>21,568</u>	<u>-</u>
	<u>2,673,848</u>	<u>-</u>	<u>2,673,848</u>	<u>-</u>
	<u>470,528</u>	<u>(124,385)</u>	<u>346,143</u>	<u>(124,385)</u>
	<u>496,511</u>	<u>339,411</u>	<u>835,922</u>	<u>339,411</u>
	<u>\$ 967,039</u>	<u>\$ 215,026</u>	<u>\$ 1,182,065</u>	<u>\$ 1,182,065</u>

See accompanying notes to the financial statements.

OPENING DOORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

	Program Services						Total	General and Administrative	Fundraising	Total
	Microenterprise	Financial Capabilities	Immigration Legal Services	Survivors of Trafficking	Refugee Resettlement	Total				
Salaries	\$ 189,586	\$ 74,885	\$ 39,318	\$ 208,897	\$ 647,269	\$ 1,159,955	\$ 149,688	\$ 19,313	\$ 1,328,956	
Payroll taxes	17,500	7,198	3,486	19,533	58,909	106,626	13,906	1,794	122,326	
Employee benefits	15,700	8,729	3,041	18,294	56,982	102,746	13,861	1,788	118,395	
Total salaries and related costs	222,786	90,812	45,845	246,724	763,160	1,369,327	177,455	22,895	1,569,677	
Client expenses	20,837	2	16,230	300,583	1,242,231	1,579,883	(1,150)	-	1,578,733	
Contract services	71,490	8,891	4,335	134,296	-	219,012	3,388	-	222,400	
Direct program expenses	37,266	17,776	3,312	4,828	30,252	93,434	2,659	-	96,093	
Occupancy	12,331	4,403	1,673	12,181	47,904	78,492	3,493	-	81,985	
Donated goods	-	-	-	-	67,820	67,820	4,253	-	72,073	
Supplies	13,437	1,494	1,094	3,662	32,170	51,857	2,839	-	54,696	
Outreach	2,849	909	253	5,711	26,653	36,375	(279)	-	36,096	
Small equipment costs	5,678	1,113	775	3,846	14,432	25,844	99	-	25,943	
Professional services	2,839	1,129	481	2,285	8,476	15,210	1,576	-	16,786	
Telephone and internet	2,932	1,015	432	2,312	8,268	14,959	133	-	15,092	
Insurance	2,112	789	298	1,842	6,630	11,671	1,207	-	12,878	
Donated services	-	-	43	-	-	43	11,763	-	11,806	
Printing and postage	1,865	621	680	1,163	3,914	8,243	141	-	8,384	
Depreciation	1,195	445	165	1,012	3,642	6,459	(20)	-	6,439	
Loan (recoveries) bad debts	(4,381)	-	-	-	-	(4,381)	9,623	-	5,242	
Meetings and conferences	1,221	186	42	425	1,484	3,358	1,628	-	4,986	
Travel	574	31	52	1,549	2,825	5,031	(3,035)	-	1,996	
Miscellaneous	5,955	386	327	953	4,133	11,754	11,373	-	23,127	
	\$ 400,986	\$ 130,002	\$ 76,037	\$ 723,372	\$ 2,263,994	\$ 3,594,391	\$ 227,146	\$ 22,895	\$ 3,844,432	

See accompanying notes to the financial statements.

OPENING DOORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016

	Program Services							Total	General and Administrative	Fundraising	Total
	Immigration			Survivors of Trafficking	Refugee Resettlement	Total	Total				
	Microenterprise Capabilities	Financial Capabilities	Legal Services								
Salaries	\$ 228,836	\$ 62,289	\$ 45,942	\$ 104,343	\$ 367,005	\$ 808,415	\$ 186,711	\$ 18,536	\$ 1,013,662		
Payroll taxes	22,141	6,327	4,174	10,081	34,098	76,821	16,251	1,596	94,668		
Employee benefits	25,341	11,695	6,003	8,935	27,895	79,869	14,622	1,436	95,927		
Total salaries and related costs	276,318	80,311	56,119	123,359	428,998	965,105	217,584	21,568	1,204,257		
Client expenses	8,207	5,089	142	96,601	790,600	900,639	112	-	900,751		
Contract services	68,842	11,065	-	47,327	32,546	159,780	-	-	159,780		
Direct program expenses	30,388	2,602	5,558	2,065	10,536	51,149	2,958	-	54,107		
Occupancy	17,450	5,061	2,867	10,046	27,891	63,315	(372)	-	62,943		
Donated goods	-	5,169	9,440	-	-	14,609	703	-	15,312		
Supplies	3,456	2,280	1,537	1,348	26,308	34,929	633	-	35,562		
Outreach	4,794	1,562	463	9,642	24,117	40,578	851	-	41,429		
Small equipment costs	3,078	845	503	2,695	5,087	12,208	1,913	-	14,121		
Professional services	4,127	1,128	691	2,332	6,790	15,068	506	-	15,574		
Telephone and internet	1,352	404	219	675	2,344	4,994	98	-	5,092		
Insurance	2,851	800	489	1,357	4,613	10,110	170	-	10,280		
Donated services	7,637	52,088	22,689	11,977	5,673	100,064	6,229	-	106,293		
Printing and postage	865	240	260	402	1,430	3,197	167	-	3,364		
Depreciation	1,731	488	291	826	2,861	6,197	117	-	6,314		
Loan (recoveries) bad debts	-	-	-	-	-	-	-	-	-		
Meetings and conferences	1,158	195	111	375	1,200	3,039	570	-	3,609		
Travel	4,303	63	428	1,609	2,275	8,678	907	-	9,585		
Miscellaneous	18,368	507	793	896	3,239	23,803	1,672	-	25,475		
	\$ 454,925	\$ 169,897	\$ 102,600	\$ 313,532	\$ 1,376,508	\$ 2,417,462	\$ 234,818	\$ 21,568	\$ 2,673,848		

See accompanying notes to the financial statements.

OPENING DOORS, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 199,036	\$ 346,143
<i>Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:</i>		
Depreciation	6,439	6,314
Bad debt expense	5,242	-
<i>Changes in operating assets and liabilities:</i>		
Grants and program receivables	167,326	(292,348)
Client loans receivable	(67,077)	(30,477)
Prepaid expenses and deposits	(12,152)	8,543
Restricted loan loss reserves	(15,594)	19,511
Accounts payable	(15,032)	43,222
Accrued expenses	19,190	(20,786)
Deferred revenue	(27,645)	(99,884)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	259,733	(19,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans made	(536,635)	(433,660)
Collections on loans	342,769	183,331
Funds reserved for loans	-	30,000
Change in restricted funds	120,893	120,959
Purchases of property and equipment	-	(1,441)
NET CASH USED IN INVESTING ACTIVITIES	(72,973)	(100,811)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(42,100)	(37,100)
Proceeds from notes payable	100,000	90,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	57,900	52,900
NET INCREASE (DECREASE) IN CASH	244,660	(67,673)
CASH AT BEGINNING OF YEAR	49,397	117,070
CASH AT END OF YEAR	\$ 294,057	\$ 49,397

SUPPLEMENTAL INFORMATION:

No cash was paid for interest or income taxes during the years ended December 31, 2017 and 2016.

See accompanying notes to the financial statements.

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION

Opening Doors, Inc. (the Agency) empowers newly-arrived immigrants and American-born Sacramento area residents to thrive in the social and economic mainstream. The Agency accomplishes this by cultivating personal capabilities, entrepreneurial skills and social networks that contribute to the well-being of their families and neighborhoods, and entire community.

The Agency began in 1993 as a small refugee resettlement agency 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. When many of the refugees needed help with starting businesses in order to become self-sufficient, the Microenterprise Assistance Program was started and grew to serve Hispanic immigrants and U.S. citizens.

In 2003, the Agency incorporated as a 501(c)(3) nonprofit organization. In 2004 the Agency became a Community Development Financial Institution (CDFI). The business microloan program grew and began offering tools and training for those attempting to assert more control over their personal finances. The Agency primarily aids incoming refugees and recently freed survivors of human trafficking to secure safe living places, meet basic needs, and develop the capacity for self-sustainability. It also provides low-cost immigration legal services, especially for those subjected to human trafficking and domestic violence.

The Agency's current programs include:

Microenterprise Program – Assistance for entrepreneurs to start or improve small businesses through business technical assistance, training and business microloans. This program was originally funded almost exclusively by the Office of Refugee Resettlement but in recent years has diversified its funding to include other Federal and non-Federal sources including an increasing number of financial institutions.

Financial Capabilities Program – Individuals and families are counseled on how to improve their financial situations through better use of the U.S. financial system, budgeting, saving and by identifying and working towards financial goals. Individuals interested in starting or improving businesses can participate in business classes and workshops.

Immigration Legal Services – Pro bono comprehensive immigration legal services that include assistance with items such as naturalization, deportation defense, DACA, and unaccompanied minors. This program is primarily supported by grants from the State of California.

Survivors of Trafficking Program – Community outreach, education and technical assistance is provided by the Agency in order to increase the number of human trafficking victims being identified and freed. 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. This program is funded by a combination of State of California and Federal grants.

Refugee Resettlement Program – Assistance to newly arriving refugees in obtaining housing, health care assistance, English language training, and help with job placement. With support from volunteers, refugees are transitioned to a safe and healthy life in the Sacramento area community.

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Refugee Family Child Care Microenterprise Development Program – Provides opportunities to refugee women to become licensed childcare providers so they may qualify for county childcare reimbursement and become successful, independent entrepreneurs. The Agency partners with Child Action, Inc. to offer training, licensing assistance, and startup funding. Women receive instruction on the following topics: Micro-Enterprise Training Business Management, Health & Safety, Child Development, and Professionalism in Family Child Care. Classes are taught in English, Dari, Russian, Spanish, and Arabic. Upon completion, clients will be eligible to apply for a grant through the Agency of up to \$1,500 to help allay start-up and material costs.

Basis of Presentation: The Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2017 and 2016, the Agency's net assets consisted only of unrestricted and temporarily restricted net assets.

Fair Value Measurements: 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.

Revenue Recognition: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash instruments with maturities of three months or less at the time of purchase.

Grants and Contracts: Grants receivable represent expenditures for which reimbursement has been requested but not yet received. Grant revenue is recognized when services are performed and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards. 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.

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Client Loans Receivable: Client loans consist of amounts loaned to individuals through the Prosperity Project. The maximum term on notes receivable is five years and interest is charged at rates ranging from 7.5% to 8.5%.

Restricted Cash: Restricted funds includes amounts received from grantors available for client loans, loan loss reserves, and funds in attorney trust accounts related to the Immigration Legal Services Program.

Property and Equipment: Property and equipment in excess of \$1,000 is stated at cost or at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred.

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. The balances in the loan loss reserve accounts at December 31, 2017 and 2016 totaled \$69,602 and \$54,008, respectively.

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. During the years ended December 31, the Agency recorded the following in-kind contributions:

	<u>2017</u>	<u>2016</u>
Services	\$ 11,763	\$ 106,293
Goods	<u>72,073</u>	<u>15,312</u>
	<u>\$ 83,836</u>	<u>\$ 121,605</u>

Income Taxes: The Agency is exempt from federal and state income taxes under IRC Section 501(c)(3) and Section 23701(d) of the California Revenue and Tax Code.

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 consolidated financial statements.

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses: 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.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 11,274	\$ 11,274
Equipment	42,153	42,873
	<u>53,247</u>	<u>54,147</u>
Less: accumulated depreciation	(40,918)	(35,199)
	<u>\$ 12,509</u>	<u>\$ 18,948</u>

NOTE D – 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 mature on May 23, 2022. Principal only payments are \$3,925 per month. As of December 31, 2017 and 2016, \$348,858 and \$290,958, respectively, was outstanding under these loans.

Scheduled annual principal payments are as follows:

2018	\$ 47,100
2019	47,100
2020	47,100
2021	47,100
2022	47,100
Thereafter	<u>113,358</u>
	<u>\$ 348,858</u>

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent unexpended grants and contributions restricted for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Micro lending	\$ 103,770	\$ 190,490
100+ Women	-	9,900
Private foundations	-	5,000
Attorney client trust funds	15,131	6,136
Refugee programs	-	2,305
Survivors of Trafficking	-	1,195
	<u>\$ 118,901</u>	<u>\$ 215,026</u>

NOTE F - COMMITMENTS

The Agency leases office space under the term of an operating lease that expires in November 2022. Future minimum lease payments as follows at December 31:

2018	\$ 104,477
2019	119,202
2020	122,775
2021	126,456
2022	119,208
	<u>\$ 592,118</u>

Rent expense under this lease for the years ended December 31, 2017 and 2016 amounted to \$73,641 and \$60,878, respectively.

NOTE G - CONCENTRATION OF CREDIT AND MARKET RISK

Concentration of Grants: For the years ended December 31, 2017 and 2016, approximately 68% and 64%, 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.

OPENING DOORS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE G - CONCENTRATION OF CREDIT AND MARKET RISK - Continued

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 H – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 31, 2018 the date on which the financial statements were available to be issued.