

HOPE'S DOOR, INC.

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

**HOPE'S DOOR, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hope's Door, Inc.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Hope's Door, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 of financial statements conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 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 financial statement 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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.

## **Supplementary 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the Organization'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 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, NY  
January 29, 2026

**HOPE'S DOOR, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,010,221	\$ 1,351,143
Investments - certificates of deposit	265,127	268,837
Investments - deferred fixed annuity	109,143	106,950
Grants receivable	910,704	699,089
Accounts receivable	75,711	57,431
Prepaid expenses	33,806	24,714
Total Current Assets	2,404,712	2,508,164
Noncurrent Assets:		
Property and equipment:		
Property and equipment, at cost	1,310,234	1,361,979
Less: Accumulated depreciation	(827,315)	(863,883)
Property and equipment, net (Note 5)	482,919	498,096
Other Assets:		
Intangible assets, net of accumulated amortization (Note 6)	18,442	17,908
Operating lease right-of-use assets (Note 10)	197,649	331,025
Security deposits	8,227	8,227
Escrow deposits	1,500	1,500
Restricted cash - Ingrid Connolly memorial fund (Note 7)	60,730	55,424
<b>TOTAL ASSETS</b>	<b>\$ 3,174,179</b>	<b>\$ 3,420,344</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 226,668	\$ 293,319
Deferred revenue	20,000	-
Operating lease liability (Note 10)	133,968	133,073
Total Current Liabilities	380,636	426,392
Long-Term Liabilities:		
Operating lease liability (Note 10)	63,681	197,952
Total Long-Term Liabilities	63,681	197,952
Net Assets:		
Without donor restrictions	2,516,868	2,619,956
With donor restrictions (Note 9)	212,994	176,044
Total Net Assets	2,729,862	2,796,000
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,174,179</b>	<b>\$ 3,420,344</b>

See Notes to Financial Statements

**HOPE'S DOOR, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:						
Contributions (Note 11)	\$ 197,138	\$ 8,500	\$ 205,638	\$ 285,590	\$ 17,525	\$ 303,115
Shelter fees (Note 12)	707,860	-	707,860	599,574	-	599,574
Grants	2,292,913	100,500	2,393,413	2,096,306	30,000	2,126,306
Special events, net	217,536	-	217,536	135,391	-	135,391
Investment income, net	33,926	1,357	35,283	38,032	1,578	39,610
Net assets released from donor restrictions	73,407	(73,407)	-	640,473	(640,473)	-
Total Revenue and Other Support	<u>3,522,780</u>	<u>36,950</u>	<u>3,559,730</u>	<u>3,795,366</u>	<u>(591,370)</u>	<u>3,203,996</u>
Expenses:						
Program Services:						
Shelter	924,985	-	924,985	847,720	-	847,720
Non-Residential	1,367,824	-	1,367,824	1,206,793	-	1,206,793
Legal	676,780	-	676,780	566,884	-	566,884
Total Program Services	<u>2,969,589</u>	<u>-</u>	<u>2,969,589</u>	<u>2,621,397</u>	<u>-</u>	<u>2,621,397</u>
Support Services:						
Management and general	466,708	-	466,708	440,653	-	440,653
Fundraising	189,571	-	189,571	99,499	-	99,499
Total Support Services	<u>656,279</u>	<u>-</u>	<u>656,279</u>	<u>540,152</u>	<u>-</u>	<u>540,152</u>
Total Expenses	<u>3,625,868</u>	<u>-</u>	<u>3,625,868</u>	<u>3,161,549</u>	<u>-</u>	<u>3,161,549</u>
(Decrease)/Increase in Net Assets	(103,088)	36,950	(66,138)	633,817	(591,370)	42,447
Net Assets, Beginning of Year	<u>2,619,956</u>	<u>176,044</u>	<u>2,796,000</u>	<u>1,986,139</u>	<u>767,414</u>	<u>2,753,553</u>
Net Assets, End of Year	<u>\$ 2,516,868</u>	<u>\$ 212,994</u>	<u>\$ 2,729,862</u>	<u>\$ 2,619,956</u>	<u>\$ 176,044</u>	<u>\$ 2,796,000</u>

See Notes to Financial Statements

**HOPE'S DOOR, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Program Services				Support Services			
	Shelter	Non-Residential	Legal	Total Program Services	Management and general	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 518,193	\$ 800,050	\$ 380,485	\$ 1,698,728	\$ 297,995	\$ 96,195	\$ 394,190	\$ 2,092,918
Fringe benefits and payroll related costs	117,603	206,681	140,089	464,373	70,856	50,788	121,644	586,017
Rent and occupancy	6,242	91,513	28,090	125,845	28,090	7,803	35,893	161,738
Utilities	22,062	1,500	-	23,562	-	-	-	23,562
Telephone	4,766	8,143	4,182	17,091	1,553	1,031	2,584	19,675
Food	12,534	-	35	12,569	-	-	-	12,569
Program expenses	8,406	24,182	20,638	53,226	388	460	848	54,074
Supplies	3,683	1,456	2,696	7,835	8,095	312	8,407	16,242
Travel	21,611	10,728	2,741	35,080	661	907	1,568	36,648
Insurance	11,681	17,755	12,313	41,749	6,542	2,336	8,878	50,627
Professional services	27,984	139,457	52,566	220,007	14,024	5,009	19,033	239,040
Repairs and maintenance	36,269	1,179	-	37,448	6,942	16,944	23,886	61,334
Meetings and conferences	1,410	2,074	2,310	5,794	3,594	297	3,891	9,685
Dues and fees	2,031	1,016	5,220	8,267	1,779	3,096	4,875	13,142
Equipment leases and rentals	5,112	4,114	8,553	17,779	1,347	374	1,721	19,500
Taxes	4,021	54	-	4,075	-	-	-	4,075
Staff development and training	1,896	4,609	6,611	13,116	13,662	129	13,791	26,907
Advertising and recruitment	2,761	9,293	8,463	20,517	-	852	852	21,369
Client costs	28,374	1,540	-	29,914	-	-	-	29,914
Depreciation and amortization	26,712	9,102	1,047	36,861	8,249	2,183	10,432	47,293
Special needs	61,603	31,936	34	93,573	186	-	186	93,759
Miscellaneous	31	1,442	707	2,180	2,745	855	3,600	5,780
	<u>\$ 924,985</u>	<u>\$ 1,367,824</u>	<u>\$ 676,780</u>	<u>\$ 2,969,589</u>	<u>\$ 466,708</u>	<u>\$ 189,571</u>	<u>\$ 656,279</u>	<u>3,625,868</u>
							Special events expenses	76,124
							Total expenses	<u>\$ 3,701,992</u>

See Notes to Financial Statements

**HOPE'S DOOR, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Program Services				Support Services			
	Shelter	Non-Residential	Legal	Total Program Services	Management and general	Fundraising	Total Support Services	Total Expenses
Salaries	\$ 486,932	\$ 703,886	\$ 333,406	\$ 1,524,224	\$ 284,288	\$ 47,588	\$ 331,876	\$ 1,856,100
Fringe benefits and payroll related costs	109,261	182,023	133,368	424,652	55,155	21,722	76,877	501,529
Rent and occupancy	6,402	88,166	28,809	123,377	28,809	8,002	36,811	160,188
Utilities	16,342	1,590	-	17,932	-	-	-	17,932
Telephone	4,786	6,925	3,709	15,420	1,309	664	1,973	17,393
Food	8,542	-	-	8,542	-	-	-	8,542
Program expenses	712	8,774	4,322	13,808	279	1,342	1,621	15,429
Supplies	2,777	598	946	4,321	9,357	268	9,625	13,946
Travel	21,185	8,218	973	30,376	278	323	601	30,977
Insurance	12,900	18,854	14,541	46,295	7,443	1,488	8,931	55,226
Professional services	22,497	131,994	32,031	186,522	11,603	3,905	15,508	202,030
Repairs and maintenance	31,572	881	-	32,453	6,090	6,316	12,406	44,859
Meetings and conferences	1,976	3,160	1,383	6,519	2,713	425	3,138	9,657
Dues and fees	572	1,145	3,029	4,746	4,311	2,337	6,648	11,394
Equipment leases and rentals	2,686	3,584	7,353	13,623	1,173	326	1,499	15,122
Taxes	3,900	50	-	3,950	-	-	-	3,950
Staff development and training	3,164	2,552	1,202	6,918	15,582	765	16,347	23,265
Advertising and recruitment	4,026	4,541	-	8,567	-	1,835	1,835	10,402
Client costs	3,930	-	-	3,930	-	-	-	3,930
Depreciation and amortization	44,458	6,438	1,387	52,283	9,572	1,505	11,077	63,360
Special needs	58,797	31,373	319	90,489	10	-	10	90,499
Miscellaneous	303	2,041	106	2,450	2,681	688	3,369	5,819
	<u>\$ 847,720</u>	<u>\$ 1,206,793</u>	<u>\$ 566,884</u>	<u>\$ 2,621,397</u>	<u>\$ 440,653</u>	<u>\$ 99,499</u>	<u>\$ 540,152</u>	<u>3,161,549</u>
							Special events expenses	37,905
							Total expenses	<u>\$ 3,199,454</u>

See Notes to Financial Statements

**HOPE'S DOOR, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<u>Cash Flows From Operating Activities</u>		
(Decrease)/Increase in net assets	\$ (66,138)	\$ 42,447
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	47,293	63,360
Investment return - certificates of deposit	3,710	19,058
Investment return - deferred fixed annuity	(2,193)	1,182
Changes in:		
Grants receivable	(211,615)	476,316
Accounts receivable	(18,280)	19,381
Prepaid expenses	(9,092)	9,605
Other receivables	-	5,000
Accounts payable and accrued expenses	(66,651)	(40,703)
Deferred revenue	20,000	(5,069)
Deferred rent	-	(10,775)
Net cash (used for)/provided by operating activities	(236,828)	537,355
<u>Cash Flows From Investing Activities</u>		
Purchase of certificates of deposit	(265,000)	(365,000)
Redemption of certificates of deposit	265,000	302,605
Purchase of property and equipment and intangible assets	(32,650)	(59,267)
Net cash used by investing activities	(32,650)	(121,662)
Net (decrease)/increase in cash and cash equivalents	(335,616)	458,140
Cash and cash equivalents and restricted cash - beginning of year	1,406,567	948,427
Cash and cash equivalents and restricted cash - end of year	\$ 1,070,951	\$ 1,406,567

See Notes to Financial Statements

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

***Nature of activities***

Hope's Door, Inc. (the "Organization") located in Westchester County, New York, was founded on April 4, 1980, as a not-for-profit organization providing programs to help victims of domestic violence and abuse. The Organization seeks to help victims of domestic violence and abuse achieve safety, explore their options, and evolve from a victim to survivor by offering the following services: 1) emergency shelter program; 2) 24-hour hotline; 3) safety planning; 4) counseling and advocacy services; 5) legal advocacy and referral services; 6) support groups; 7) children and teen programs; and, 8) community and workplace education and outreach programs.

***Basis of accounting***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

***Financial statement presentation***

The Organization reports information regarding its financial position and activities according to two classes of net assets:

*Without Donor Restrictions* - Resources over which the Board of Directors (the "Board") has discretionary control. Designated amounts, if applicable, represent those net assets which the Organization has set aside for a particular purpose. As of June 30, 2025 and 2024, net assets without donor restrictions were \$2,516,868 and \$2,619,956, respectively. There were no designated amounts as of June 30, 2025 and 2024.

*With Donor Restrictions* - Resources whose use is subject to donor-imposed restrictions (time and/or purpose) or restricted in perpetuity as per donor stipulations (endowment). A donor-imposed restriction arises when a donor makes a contribution and, in doing so, specifies its use for a specific activity within the Organization's mission. As of June 30, 2025 and 2024, net assets with donor restrictions were \$212,994 and \$176,044, respectively.

***Cash and cash equivalents***

The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months to be cash equivalents. Cash representing assets of the Organization's Ingrid Connolly Memorial Fund, which are donor restricted as described in Note 7 to the financial statements, are included in noncurrent assets as these funds are not used for operating purposes.

***Investments***

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which income or gains are recognized. At June 30, 2025 and 2024, the Organization's investments consist of certificates of deposit and a deferred fixed annuity.

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

***Fair value measurements***

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market or in the most advantageous market when no principal market exists. Market participants are assumed to be independent, knowledgeable, able and willing to transact and exchange, and not under duress. Nonperformance or credit risk is considered when determining the fair value of liabilities.

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

The carrying amounts reflected in the statements of financial position for cash and cash equivalents, prepaid expenses, accounts payable, notes payable, and accruals are deemed to be reasonable estimates of their fair value. The carrying value of the single payment deferred fixed annuity is the initial purchase price plus the interest credited to the account less any withdrawals and applicable taxes.

***Revenue recognition***

Contributions are recognized when the donor makes a promise to give a donation to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires during the fiscal year. Other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted assets are reclassified to net assets without donor restriction.

Shelter fees are recognized as the Organization satisfies the performance obligations by providing services to the customers.

Grants revenue is recognized as the Organization satisfies the conditions in the grant contract, typically by performing the contracted services and incurring costs eligible for reimbursement under the grant contracts.

Special events revenue, net is recognized upon occurrence of the event, net of related costs. Amounts received for future events are reflected as deferred revenue, if applicable. The amounts recorded as special events revenue in the financial statements represent the net proceeds from the Organization's annual spring gala.

***Allowance for doubtful accounts***

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amount. The Organization's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. There was no allowance for doubtful accounts at June 30, 2025 and 2024.

***Donations in-kind***

Periodically, the Organization receives donations of various items such as toiletries, clothing, and household items. The items are to be used by residents of the shelter or by individuals participating in one of the programs. The value of these donations is not reflected in the attached financial statements as the monetary value of these items is not deemed material to the overall activity of the Organization. Donated items the Organization is not able to utilize in its programs are redirected to other 501(c)(3) organizations. The Organization occasionally receives donated services and labor. These services or labor are recorded

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

at fair market value at the time of performance. The Organization did not receive in-kind donations for the fiscal years ended June 30, 2025 and 2024.

***Prepaid expenses***

Prepaid expenses relate primarily to prepayments for services to be provided in a future reporting period. Prepaid expenses will be recognized as expenses in the reporting period in which the services are provided.

***Property and equipment***

The Organization records purchase of property and equipment at cost. Major additions and improvements in excess of \$500 are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective asset, are expensed currently. Land is not depreciated. Depreciation is provided by using the straight-line method over the estimated useful lives of the related assets. In the fiscal year of acquisition or disposal, the half year convention is used. In computing depreciation, the following useful lives are used:

Buildings	27.5 years
Building improvements	20 years
Tenant improvements	Remaining term of lease
Furniture and equipment, computers	5 years

Donations of property are recorded as support at their estimated fair value when received. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

The Organization evaluates prominent events or changes in circumstances affecting property and equipment to determine whether impairment of property and equipment has occurred. The Organization's policy is to record an impairment loss in the period when the Organization determines that the carrying amount of the asset will not be recoverable. At June 30, 2025 and 2024, the Organization has not recorded any such impairment losses.

***Operating lease right-of-use assets and operating lease liability***

The Organization recognized operating lease right-of-use (ROU) assets and an operating lease liability that were calculated based on the present value of the lease payments, not yet paid, discounted using the discount rate at the commencement date.

Under this approach, amortization of operating lease ROU assets is charged to lease expense, which is recorded on the straight-line basis over the term of each lease, unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property and equipment, in which case that basis will be used. Lease expense is included in rent and occupancy on the statements of functional expenses.

See Note 10 to the financial statements for further information.

***Intangible assets***

The Organization records purchase of intangible assets at cost. These assets are amortized over their 15-year estimated useful life and are reflected net of accumulated amortization in the statements of financial position. See Note 6 to the financial statements for further information.

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

***Estimates***

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

***Functional allocation of expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, management and general, and fundraising based on reasonable and consistent allocation methodologies.

Direct costs are charged directly to the related functional category. Indirect costs, which include salaries and wages, employee benefits, occupancy, depreciation, and other shared expenses, are allocated to functional categories based on specific factors such as time and effort, square footage, or other reasonable allocation methods.

Management periodically reviews the cost allocation methodology to ensure it remains appropriate and reflects the Organization's operations accurately.

***Income taxes***

The Organization is a corporation organized under the Not-for-Profit Corporation Laws of New York State and is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted the provisions of Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions. There was no unrelated business income tax for the fiscal years ended June 30, 2025 and 2024.

***Employee benefit plan***

The Organization maintains a defined contribution and salary reduction 401(k) plan that covers all its eligible employees after one year of service. As of July 1, 2022, employees are eligible on the first of the month following their hire date. Employees may elect to defer a portion of their salary on a tax deferred basis up to annual limits imposed by the Internal Revenue Service. For the fiscal years ended June 30, 2025, and 2024, employee contributions (deferrals) totaled \$106,523 and \$109,687, respectively.

In addition to employee deferrals, the Organization may make a discretionary profit-sharing contribution to eligible employees' 401(k). Employees have the option of receiving this contribution as either direct contribution to their 401(k), as a direct cash payment, or a combination of the two. The Organization's discretionary profit-sharing contribution to employees' 401(k) accounts was \$13,368 and \$33,945, respectively, for the fiscal years ended June 30, 2025 and 2024.

***Advertising Costs***

The Organization expenses advertising costs as incurred. Advertising costs are used primarily to promote the Organization's programs, fundraising events, and public awareness initiatives. Advertising and

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

recruitment expense for the fiscal years ended June 30, 2025 and 2024 was \$21,369 and \$10,402, respectively.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024 are:

Financial assets:	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,010,221	\$ 1,351,143
Investments - certificates of deposit	265,127	268,837
Investments - deferred fixed annuity	109,143	106,950
Grants receivable	910,704	699,089
Accounts receivable	<u>75,711</u>	<u>57,431</u>
Total financial assets	<u>2,370,906</u>	<u>2,483,450</u>
Less financial assets held to meet donor-imposed restrictions:		
Net assets with donor restrictions (time and purpose restricted)	<u>(152,264)</u>	<u>(120,620)</u>
Amount available for general expenditures within one year	<u>\$ 2,218,642</u>	<u>\$ 2,362,830</u>

As part of the Organization’s liquidity management plan, the Organization maintains a line of credit to cover short-term cash needs (see Note 8).

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

**NOTE 3 – ANNUITIES AND INVESTMENTS**

Certificates of deposit with original maturities of greater than three months are classified as investments. Certificates of deposit which are traded on a market or exchange are reflected at the last readily ascertainable trading value plus interest accrued to date. Certificates of deposit not traded on a market or exchange are reflected at cost plus interest accrued to date. At June 30, 2025 and 2024, the total value of the Organization's certificate of deposit portfolio was \$265,127 and \$268,837, respectively.

On January 24, 2018, the organization purchased an annuity from Liberty Mutual Insurance (“Liberty”) for \$100,000. The Chief Financial Officer of the Organization is listed as the annuitant as required by the annuity. Annually, the annuity is credited with interest at a rate determined by Liberty, guaranteed not to be less than 1.00%. The annuity may be redeemed without charges beginning January 25, 2023. The value of this annuity at June 30, 2025 and 2024 was \$109,143 and \$106,950, respectively.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted or published prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Measurements that are most observable are based on quoted or published prices of identical instruments obtained from principal markets in which they are traded. Closing prices are both readily available and representative of fair value.
- Level 2 – Measurements derived indirectly from observable inputs or from quoted or published prices from markets that are less liquid. Measurements may consider inputs that other market participants would use in valuing a portfolio, quoted market prices or published prices for similar securities, interest rates, credit risks, and others.
- Level 3 – Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer duration.

All of the Organization's investments are considered level 1 investments for the fiscal years ended June 30, 2025 and 2024.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 131,000	\$ 131,000
Buildings (shelter and office)	586,900	586,900
Building improvements	446,431	482,872
Tenant improvements	3,400	8,800
Furniture and equipment	76,805	67,917
Computers	<u>65,698</u>	<u>84,490</u>
	1,310,234	1,361,979
Less: accumulated depreciation	<u>(827,315)</u>	<u>(863,883)</u>
Total	<u><u>\$ 482,919</u></u>	<u><u>\$ 498,096</u></u>

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 6 – INTANGIBLE ASSETS**

Intangible assets consist of costs associated with the redesign of the Organization’s website and implementation of a new fundraising software program. Intangible assets consist of the following at June 30:

	2025	2024
Website	\$ 16,664	\$ 16,664
Software	29,744	26,244
	46,408	42,908
Less: accumulated amortization	(27,966)	(25,000)
Total	\$ 18,442	\$ 17,908

**NOTE 7 – ENDOWMENT FUND**

In November 2022, the Organization established the Ingrid Connolly Memorial Fund (the “Fund”). The Fund is to exist in perpetuity. At the Organization’s discretion, the Organization can utilize up to 50% of current year donations received by the Fund and up to 50% of the interest generated by the Fund’s cash balances to fund current operations. The remaining 50% (or more) of donations received and income generated in a particular fiscal year that is not determined to be needed to fund current operations will remain in the Fund in perpetuity. The following table represents changes in endowment fund for the fiscal years ended June 30, 2025 and 2024:

	2025	2024
Endowment net assets - beginning of fiscal year	\$ 55,424	\$ 46,322
Contributions	8,500	7,524
Interest earned	1,357	1,578
Endowment net assets released from donor restrictions	(4,551)	-
Endowment net assets - end of fiscal year	\$ 60,730	\$ 55,424

**NOTE 8 – LINE OF CREDIT**

On May 10, 2019, the Organization obtained a line of credit for \$150,000. During the fiscal year ended June 30, 2025, the available borrowing capacity was increased to \$250,000. This line of credit is due on demand and is subject to a variable interest rate based on the Wall Street Journal Prime Index. At the time the Organization entered into the line of credit, the interest rate was 6.5% per annum. The Organization maintains the line of credit for short-term cash flow needs, if required. The line of credit remained unused as of June 30, 2025 and 2024.

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2025 and 2024 consisted of:

	2025	2024
Time and purpose restricted:		
Program – “Next Step”	\$ -	\$ 14,415
Program – “Children & Teen”	33,830	46,378
Program – “High Risk”	34,370	38,263
Program – “Mental Health”	62,500	-
Gala – “Fund a Need (Children & Teen)”	21,564	21,564
Restricted in perpetuity (endowment):		
Ingrid Connolly Memorial Fund	60,730	55,424
Total net assets with donor restrictions	\$ 212,994	\$ 176,044

NOTE 10 – COMMITMENTS

Effective March 15, 2017, the Organization signed a 64-month lease to rent office space in Hawthorne, New York. Rent charges began on August 7, 2017, the date the Organization began occupying the new space. Base rent is waived for the first five months, increases to \$8,127 per month for the next 23 months, and then to \$8,533 per month for the last 36 months. Base rent under this lease, not including utility charges and escalation, will be recognized using the straight-line method, which is \$7,720 per month or \$92,640 per annum.

During 2019, the Organization expanded their Legal Program requiring them to obtain additional office space at the Hawthorne location. As such, the Organization signed an amendment to their office lease which was effective February 1, 2019. This amendment extends the existing lease by 13 months and includes a rent increase to cover the additional office space. The amendment increases the base rent through the end of 2019 to \$9,680 per month. For the lease term after 2019, base rent was increased to \$10,164 per month for the remainder of the lease.

The lease agreement noted above contains one five-year renewal option which can be exercised by the Organization. On September 18, 2023, the Organization renewed its office lease. The new 3-year lease extension began on December 31, 2023 and the base rent is \$10,164 per month. The remaining lease term as of June 30, 2025 is 18 months and the discount rate is 0.18%. The lease does not contain an option to purchase the leased asset at the end of the lease term.

On August 19, 2021, the Organization entered into an operating lease agreement for two copiers. The lease has a term of 60 months and requires monthly payments of \$1,000. As of June 30, 2025, the remaining lease term is 15 months with an incremental borrowing rate of 0.80%. The lease does contain an option to purchase the leased asset at the end of the lease term; however, management does not plan on exercising this option.

The Organization recorded a ROU operating lease asset of \$197,649 and \$331,025 and an operating lease liability of \$197,649 and \$331,025 as of June 30, 2025 and 2024, respectively.

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

The minimum future lease payments under these leases and their amendment are as follows:

Fiscal Year Ended	Payments
<u>June 30,</u>	
2026	\$ 133,968
2027	63,984
	<u>197,952</u>
Less: imputed interest rate:	(303)
Present value of lease liability	<u><u>\$ 197,649</u></u>

NOTE 11 – CONTRIBUTIONS

Contributions were received from the following sources for the fiscal year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Foundations	\$ 15,400	\$ 60,700
Corporations	7,450	4,050
Community groups	49,357	57,845
Individuals	124,932	180,520
	<u>\$ 197,138</u>	<u>\$ 303,115</u>

NOTE 12 – SHELTER FEES

Gross shelter fees paid by the local department of social services for the fiscal years ended June 30, 2025 and 2024, were \$707,860 and \$599,574, respectively.

NOTE 13 – REVENUE AND RECEIVABLE CONCENTRATION

For the fiscal year ended June 30, 2025, the Organization's receivable balance consists of federal grants receivable (39%) and program service fees receivable (26%). For the fiscal year ended June 30, 2024, the Organization's receivable balance consists of federal grants receivable (31%), contribution receivable from one vendor (15%), and program service fees receivable (15%).

For the year fiscal ended June 30, 2025, approximately 24% and 32% of the Organization's revenue was derived from federal grants and program service fees, respectively. For the year fiscal ended June 30, 2024, approximately 27% and 32% of the Organization's revenue was derived from federal grants and program service fees, respectively.

NOTE 14 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. While the Organization occasionally may have deposits in excess of FDIC insured limits, it has not experienced any losses. The Organization's investment in the deferred fixed annuity at June 30, 2025 and 2024 of \$109,143 and \$106,950, respectively, is not FDIC insured.

**HOPE'S DOOR, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 15 – RELATED PARTY TRANSACTIONS

There were no material related party transactions during the fiscal years ended June 30, 2025 and 2024.

NOTE 16 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 29, 2026, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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

To the Board of Directors  
Hope's Door, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hope's Door Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 the Organization's 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*R.S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP  
Islandia, NY  
January 29, 2026

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

To the Board of Directors  
Hope's Door, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Hope's Door, Inc.'s (the "Organization") 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 the Organization's major federal programs for the fiscal year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hope's Door Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 the Organization'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 the Organization's federal programs.

### ***Auditor's 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 the Organization'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 generally accepted auditing standards, *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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Organization'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 the Organization'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 the Organization'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***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2025-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization'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 Auditor's 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 identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

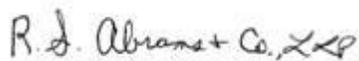
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. We did not identify any deficiencies in internal control over compliance that we consider 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2025-001 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 the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization'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.

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.



R.S. Abrams & Co., LLP  
Islandia, New York  
January 29, 2026

**HOPE'S DOOR, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures
<b><u>U.S. Department of Justice</u></b>			
<u>Passed-through New York State Office of Victim Services:</u>			
Legal Assistance for Victims	16.524	15JOVW-24-GG-00099-LEGA	\$ 163,476
Crime Victim Assistance	16.575	C11281GG	856,473
Violence Against Women Formula Grants	16.588	C00263GG	47,675
<u>Passed through Westchester County Office for Women:</u>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	OFWHDB421	<u>184,937</u>
Total U.S. Department of Justice			<u>1,252,561</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<u>Passed through New York State Office of Children and Family Services:</u>			
Family Violence Prevention and Services Act Discretionary Grants	93.592	C028773	77,399
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2202NYFTC6	12,000
<u>Passed through Westchester County Office for Women:</u>			
Social Services Block Grant	93.667	OFWHDA322	<u>52,519</u>
Total U.S. Department of Health and Human Services			<u>141,918</u>
<b>Total Federal Awards Expended</b>			<b><u><u>\$ 1,394,479</u></u></b>

**HOPE'S DOOR, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Hope's Door, Inc. (the "Organization") under programs of the federal government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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. Federal awards included in the Schedule are passed through from other government agencies. Pass-through identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the Organization's share of certain program costs) are not included in the reported expenditures.

**3. INDIRECT COST RATE**

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. SUBRECIPIENTS**

No amounts were provided to subrecipients.

**5. OTHER DISCLOSURES**

There were no loans or loan guarantees outstanding at year end.



**HOPE'S DOOR, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**PART II      FINANCIAL STATEMENT FINDINGS**

There are no financial statement findings to be reported.

**PART III      FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING # 2025-001**

Significant Deficiency in Internal Control over Compliance

Compliance Requirement:      Internal Controls (2 CFR §200.303)

Criteria:                              Uniform Guidance (2 CFR §200.303) requires non-Federal entities to establish and maintain effective internal control over Federal awards, including policies and procedures that provide reasonable assurance of compliance with applicable Federal requirements.

Condition:                              The Organization does not maintain formal, written policies and procedures addressing key Uniform Guidance compliance areas, including compensation and fringe benefits (2 CFR §200.430-§200.431). While certain procedures are performed in practice, controls are informal and not documented.

Cause:                                      Due to the Organization's size and reliance on informal processes, management has not formalized compliance procedures into written policies.

Effect:                                      The absence of written policies increases the risk that Uniform Guidance requirements may be applied inconsistently, particularly in the event of staff turnover, and increases the likelihood that noncompliance may occur and not be detected timely.

Questioned Costs:                      None.

Statistical Sampling:                  Not applicable.

Repeat Finding:                        No.

Recommendation:                      We recommend the Organization update the accounting policy manual to include written policies surrounding compensation and fringe benefits in accordance with Uniform Guidance.

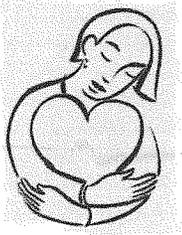
Organization's Response:              The Organization's response is included in their corrective plan.

**HOPE'S DOOR, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

There were no prior year findings or questioned costs.

**HOPE'S DOOR, INC.  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A corrective action plan for the fiscal year ended June 30, 2025 is under separate cover.



# HOPE'S DOOR

*Embracing Life Free From Domestic Abuse*

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## **CORRECTIVE ACTION PLAN**

### **PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

#### **FINDING # 2025-001**

##### Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Internal Controls (2 CFR §200.303)

Criteria: Uniform Guidance (2 CFR §200.303) requires non-Federal entities to establish and maintain effective internal control over Federal awards, including policies and procedures that provide reasonable assurance of compliance with applicable Federal requirements.

Condition: The Organization does not maintain formal, written policies and procedures addressing key Uniform Guidance compliance areas, including compensation and fringe benefits (2 CFR §200.430-§200.431). While certain procedures are performed in practice, controls are informal and not documented.

Cause: Due to the Organization's size and reliance on informal processes, management has not formalized compliance procedures into written policies.

Effect: The absence of written policies increases the risk that Uniform Guidance requirements may be applied inconsistently, particularly in the event of staff turnover, and increases the likelihood that noncompliance may occur and not be detected timely.

Questioned Costs: None.

Statistical Sampling: Not applicable.

Repeat Finding: No.

Recommendation: We recommend the Organization update the accounting policy manual to include written policies surrounding compensation and fringe benefits in accordance with Uniform Guidance.

Organization's Response: Management engaged an external HR consultant to assist with revising the Accounting Policy Manual to formally document written policies and procedures related to compensation and fringe benefits.

Draft policies have been developed and are currently under management review for accuracy and alignment with existing practices. The finalized policies will be presented for Board approval and implemented by March 18, 2026, and responsibility for ongoing monitoring and periodic review has been assigned to Chief Financial Officer and Director of Administration to ensure continued compliance. Training will be provided to applicable staff, and compliance with the updated policies will be incorporated into management's periodic internal reviews.