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Management Report

Open Doors Inc

For the period ended September 30, 2024

Prepared on

October 23, 2024

For management use only

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Profit and Loss

January - September, 2024

	Total
INCOME	
Franchise Fees Discounts/Refunds	-4,000.00
Franchise Fees Income	120,000.00
Other Income	3,418.92
Royalty Fees Discounts/Refunds	-1,000.00
Royalty Fees Income	447,600.91
Services	450.00
System Advertising Fees Income	43,012.77
Technology Fee Income	6,923.66
Total Income	**616,406.26**
GROSS PROFIT	**616,406.26**
EXPENSES	
401(k) Expenses	
401(k) Employer Match	5,747.38
Total 401(k) Expenses	**5,747.38**
Accounting Fees	10,637.42
Advertising	
Digital Advertising	25,437.77
Digital Development Fees	14,700.00
Digital Management Fees	19,639.38
Press Releases	4,500.00
Total Advertising	**64,277.15**
Attorney Fees	1,222.50
Bank Service Charges	606.00
Business Licenses and Fees	270.46
Dues and Subscriptions	30,761.41
Fuel And Vehicle Expenses	9.87
Interest Expenses	2,760.80
Meals	6,671.87
Office Supplies	7,070.62
Payroll Expenses	
Company Contributions	
Health Insurance Contributions	2,199.06
Total Company Contributions	**2,199.06**
Shareholder Taxes	13,845.39
Shareholder Wages	218,012.92
Taxes	14,746.27
Wages	180,236.35
Total Payroll Expenses	**429,039.99**
Postage and Delivery	473.57

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	Total
Professional Services	2,919.85
Software Development	26,113.44
Taxes	1,182.00
Technology Fees - Operating Software	8,205.78
Travel Expense	716.29
Vehicle/Equipment Interest or Finance Charge Expense	252.76
Total Expenses	**598,939.16**
NET OPERATING INCOME	**17,467.10**
NET INCOME	**$17,467.10**

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Balance Sheet

As of September 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
Royalties Synovus	40,298.51
System Advertising Synovus	3,452.75
Total Bank Accounts	**43,751.26**
Accounts Receivable	
Accounts Receivable	99,654.67
Total Accounts Receivable	**99,654.67**
Other Current Assets	
Repayment	
Repayment	910.59
Total Repayment	**910.59**
Total Other Current Assets	**910.59**
Total Current Assets	**144,316.52**
TOTAL ASSETS	**$144,316.52**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,666.83
Total Accounts Payable	**2,666.83**
Credit Cards	
Capital One	5,357.14
Total Credit Cards	**5,357.14**
Other Current Liabilities	
Due To AGD-Chatt	-234.62
Payroll Liabilities	
Federal Taxes (941/944)	917.13
Federal Unemployment (940)	223.41
Pre-Tax 401(k) Contributions	-226.95
Roth 401(k)	695.38
TN Quarterly Taxes	8.99
United Dental	-36.02
United Medical	-243.99
United Vision	-6.44
Total Payroll Liabilities	**1,331.51**
Shareholder Loan	44,860.80
Total Other Current Liabilities	**45,957.69**

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	Total
Total Current Liabilities	**53,981.66**
Total Liabilities	**53,981.66**
Equity	
Retained Earnings	72,867.76
Net Income	17,467.10
Total Equity	**90,334.86**
TOTAL LIABILITIES AND EQUITY	**$144,316.52**

~~**AUDITED FINANCIAL STATEMENTS**~~

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Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

OPEN DOORS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

(With Independent Auditors' Report Thereon)

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OPEN DOORS, INC.
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GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
SUZI J. RAPP, CPA*, MAC
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INDEPENDENT AUDITORS' REPORT

To the Stockholder of
Open Doors Inc.
Hixson, TN

Opinion

We have audited the accompanying financial statements of Open Doors Inc. (a Tennessee Corporation), which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of income, changes in stockholder's equity, and cash flows for the 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 Open Doors, Inc. as of December 31, 2023 and 2022, and the results of its operations 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. 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 Open Doors, Inc. 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 opinion.

Responsibilities of Management 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.

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 Open Door Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 conducted in accordance with generally accepted 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, including omissions, 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, 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 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 Open 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 Open Doors, Inc.'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 supplementary information on page 12 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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, Florida
March 7, 2024

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OPEN DOORS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Current Assets		
Cash and cash equivalents	$ 36,819	$ 13,923
Accounts Receivable	85,359	56,563
Total Current Assets	122,178	70,486
Total Assets	$ 122,178	$ 70,486

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2023 AND 2022

LIABILITIES AND STOCKHOLDER'S EQUITY

	2023	2022
Current Liabilities		
Accounts payable	$ 4,695	$ 1,461
Accrued expenses	24,058	4,504
Deferred revenue - current	21,600	-
Due to shareholder	26,643	23,718
Total Current Liabilities	76,996	29,683
Deferred revenue - non current portion	9,800	-
Total Liabilities	86,796	29,683
Stockholder's Equity		
Common stock issued, no par value; 1,000,000 shares authorized, 100 shares issued and outstanding	100	100
Additional paid in capital	14,900	14,900
Retained earnings	20,382	25,803
Total Stockholder's Equity	35,382	40,803
Total Liabilities and Stockholder's Equity	$ 122,178	$ 70,486

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenue		
Franchise fees	$ 43,600	$ 20,000
Royalty fees	484,548	171,320
System advertising fees	49,316	37,754
Misc income	3,003	12,790
Less: discounts	(4,349)	(387)
Total Revenues	576,118	241,477
Operating Expenses:		
General and administrative	577,130	230,608
Total Operating Expenses:	577,130	230,608
Other Expenses:		
Interest expense	4,409	3,509
Net (Loss) Income	$ (5,421)	$ 7,360

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock	Additional Paid in capital	Retained Earnings	Total Stockholder's Equity
Balance at December 31, 2021	$ 100	$ 14,900	$ 18,443	$ 33,443
Net income	-	-	7,360	7,360
Balance at December 31, 2022	$ 100	$ 14,900	$ 25,803	$ 40,803
Net (loss)	-	-	(5,421)	(5,421)
Balance at December 31, 2023	$ 100	$ 14,900	$ 20,382	$ 35,382

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Net (loss) income	$ (5,421)	$ 7,360
Adjustments to reconcile net income to net cash used in operating activities:		
Increase (Decrease) in assets and liabilities:		
Accounts receivables	(28,796)	(82)
Accounts payable	3,234	(1,948)
Accrued expenses	19,554	2,069
Deferred revenue	31,400	-
Net cash provided by operating activities	19,971	7,399
Cash flows uses in from financing activities:		
Loan to shareholder	2,925	1,509
Net cash provided by financing activities	2,925	1,509
Net increase in cash and cash equivalents	22,896	8,908
Cash and cash equivalents at beginning of year	13,923	5,015
Cash and cash equivalents at end of year	$ 36,819	$ 13,923

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – BUSINESS ACTIVITY

Open Doors, Inc. was formed in the state of Tennessee on March 21, 2019; the Company is in the business of offering franchises to operate a garage door sales, installation, repair and service business for residential properties. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Open Doors, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Accounts receivable represent royalty receivables due from franchisees. Accounts are written off as uncollectible after management reviews the specific circumstances related to each account. As of December 31, 2023 and 2022, management has not deemed a reserve necessary.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. At December 31, 2023 and 2022, the Company did not own any fixed assets.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

The Company has elected to be taxed as an S corporation under the internal revenue Code and applicable state statutes. Under an S Corporation election, the income of the Company flows through to the members to be taxed at the individual level rather than the corporate level. Accordingly, no provision or liability for federal or state income taxes has been included in the financial statements. Generally, the Company will distribute cash to the shareholder to pay his share of the federal and state taxes. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023 and 2022.

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OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

Employees compensated absences are not accrued as of December 31, 2023 or 2022, because no reasonable estimate of the amount can be made.

Accounts Payable

Accounts Payable consists of vendor bills payable at various terms based on the individual vendor invoice. The Accounts Payable balance in the financial statements agree to the detailed vendor accounts payable schedule as of December 31, 2023 and 2022.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties and system advertising on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- A website housed within our national website that includes scheduling functionality and access to out intranet system that houses our proprietary educational platform and provides ongoing announcements and templates for print and marketing materials to support the Business.
- Access to a self-study program and related materials to be completed prior to attending our initial training program.
- Copy of proprietary operations manual (and other materials).
- Comprehensive ten-day training program at our corporate headquarters and up to three days of assistance and guidance pre-opening or grand opening on site.

Advertising Costs

Advertising costs are expensed when incurred and amounted to $56,584 and $55,925 for the years ended December 31, 2023 and 2022, respectively.

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OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as 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 Topic 820 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:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") established Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842"), by issuing Accounting Standards Update ("ASU") No. 2016- 02 ("ASU 2016-02"). The standard, as amended, establishes a right-of-use ("ROU") model that requires a lessee to recognize a right-of-use ("ROU") asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are now classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations. As of December 31, 2023, the Company had no lease agreements in place.

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OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. The amounts deferred as of December 31, 2023 and 2022 were $31,400 and $0, respectively.

NOTE 4 – RELATED PARTIES

The Company has one affiliate parent company that owns two subsidiary companies. These two subsidiaries operate two businesses that offer similar products and services to the Access Garage Doors Franchise being offered. The affiliate companies are owned by the majority owner of Open Doors, Inc. The affiliate companies do not offer franchises in any business, are independent entities and do not assume any legal or other obligations of Open Doors, Inc., nor does Open Doors, Inc, assume any of the affiliates legal or other obligations.

As of December 31, 2023 & 2022 the company was due $26,643 and $23,718, respectively, from a shareholder. The loan is due on demand and accruing interest at 1.5% per month.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 7, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

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SUPPLEMENTARY INFORMATION

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OPEN DOORS, INC.
SCHEDULES OF GENERAL & ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Advertising	$ 56,582	$ 55,925
Bank & wire fees	876	861
Dues & subscriptions	23,803	14,404
Employee benefits	6,051	9,026
License & permits	1,523	473
Meals & entertainment	2,894	1,562
Payroll taxes	27,882	5,389
Postage & delivery	266	161
Professional & consulting fees	31,150	20,218
Salaries & wages	384,727	88,612
Software development	22,943	19,214
Supplies	4,711	2,713
Taxes - other	553	392
Trade shows	4,321	-
Travel expense	8,395	11,581
Vehicle expense	453	77
	$ 577,130	$ 230,608

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.

Financial Statements
For the Years Ended December 31, 2022 and 2021
with
Independent Auditor's Report Thereon

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OPEN DOORS, INC.
TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Stockholder of
Open Doors Inc.
Hixson, TN

Opinion

We have audited the accompanying financial statements of Open Doors Inc. (a Tennessee Corporation), which comprise the balance sheet as of December 31, 2022 and 2021, and the related statements of income, changes in stockholder's equity, and cash flows for the 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 Open Doors, Inc. as of December 31, 2022 and 2021, and the results of its operations 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. 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 Open Doors, Inc. 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 opinion.

Responsibilities of Management 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.

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 Open Door Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Deleted graphics) **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 conducted in accordance with generally accepted 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, including omissions, 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, 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 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 Open 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 Open Doors, Inc.'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 supplementary information on page 12 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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, Florida
March 20, 2023

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OPEN DOORS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
Current Assets		
Cash and cash equivalents	$ 13,923	$ 5,015
Accounts Receivable	56,563	56,481
Total Current Assets	70,486	61,496
Other Assets		
Deferred tax benefit	-	-
Deposits	-	-
Total Other Assets	-	-
Total Assets	$ 70,486	$ 61,496

The accompanying notes are an integral part of these financial statements.

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OPEN DOORS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021

LIABILITIES AND STOCKHOLDER'S EQUITY

	2022	2021
Current Liabilities		
Accounts payable	$ 1,461	$ 3,409
Accrued expenses	4,504	2,435
Deferred revenue	-	-
Due to shareholder	23,718	22,209
Total Current Liabilities	29,683	28,053
Total Liabilities	29,683	28,053
Stockholder's Equity		
Common stock issued, no par value; 1,000,000 shares authorized, 100 shares issued and outstanding	100	100
Additional paid in capital	14,900	14,900
Retained earnings	25,803	18,443
Total Stockholder's Equity	40,803	33,443
Total Liabilities and Stockholder's Equity	$ 70,486	$ 61,496

The accompanying notes are an integral part of these financial statements.

(Deleted graphics) ***OPEN DOORS, INC.***

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenue		
Franchise fees	$ 20,000	$ 82,500
Royalty fees	171,320	124,712
System advertising fees	37,754	26,436
Misc income	12,790	1,125
Less: discounts	(387)	(9,075)
Total Revenues	241,477	225,698
Operating Expenses:		
General and administrative	230,608	190,378
Total Operating Expenses:	230,608	190,378
Other Expenses:		
Interest expense	3,509	749
Net Income (Loss)	$ 7,360	$ 34,571

The accompanying notes are an integral part of these financial statements.

(Deleted graphics) ***OPEN DOORS, INC.***

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common Stock	Additional Paid in capital	Retained Earnings	Total Stockholder's Equity
Balance at December 31, 2020	$ 100	$ 14,900	$ (16,128)	$ (1,128)
Net income	-	-	34,571	34,571
Balance at December 31, 2021	$ 100	$ 14,900	$ 18,443	$ 33,443
Net income	-	-	7,360	7,360
Balance at December 31, 2022	$ 100	$ 14,900	$ 25,803	$ 40,803

The accompanying notes are an integral part of these financial statements.

(Deleted graphics) ***OPEN DOORS, INC.***

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Net income (loss)	$ 7,360	$ 34,571
Adjustments to reconcile net income to net cash used in operating activities:		
Increase (Decrease) in assets and liabilities:		
Accounts receivables	(82)	(56,481)
Accounts payable	(1,948)	3,374
Accrued expenses	2,069	1,697
Deferred revenue	-	(22,500)
Loan to shareholder	1,509	22,209
Net cash provided by (used) in operating activities	8,908	(17,130)
Net (decrease) increase in cash and cash equivalents	8,908	(17,130)
Cash and cash equivalents at beginning of year	5,015	22,145
Cash and cash equivalents at end of year	$ 13,923	$ 5,015

The accompanying notes are an integral part of these financial statements.

(Deleted graphics) **OPEN DOORS, INC.**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 – BUSINESS ACTIVITY

Open Doors, Inc. was formed in the state of Tennessee on March 21, 2019; the Company is in the business of offering franchises to operate a garage door sales, installation, repair and service business for residential properties. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Open Doors, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Customer accounts receivable are stated at the amount management expects to collect on balances. The Company uses the direct write-off method for bad debts; management closely monitors outstanding balances and writes off, as of year-end, any balances that are considered to be uncollectible. Accordingly, no allowance for doubtful accounts is required.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years. At December 31, 2022 and 2021, the Company did not own any fixed assets.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

The Company has elected to be taxed as an S corporation under the internal revenue Code and applicable state statutes. Under an S Corporation election, the income of the Company flows through to the members to be taxed at the individual level rather than the corporate level. Accordingly, no provision or liability for federal or state income taxes has been included in the financial statements. Generally, the Company will distribute cash to the shareholder to pay his share of the federal and state taxes. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2022 and 2021.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Compensated Absences

Employees compensated absences are not accrued as of December 31, 2022 or 2021, because no reasonable estimate of the amount can be made.

Accounts Payable

Accounts Payable consists of vendor bills payable at various terms based on the individual vendor invoice. The Accounts Payable balance in the financial statements agree to the detailed vendor accounts payable schedule as of December 31, 2022 and 2021.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties and system advertising on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- A website housed within our national website that includes scheduling functionality and access to out intranet system that houses our proprietary educational platform and provides ongoing announcements and templates for print and marketing materials to support the Business.
- Access to a self-study program and related materials to be completed prior to attending our initial training program.
- Copy of proprietary operations manual (and other materials).
- Comprehensive ten-day training program at our corporate headquarters and up to three days of assistance and guidance pre-opening or grand opening on site.

Advertising Costs

Advertising costs are expensed when incurred and amounted to $55,925 and $54,633 for the years ended December 31, 2022 and 2021, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as 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 Topic 820 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:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2022.

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2021, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. The Company is currently evaluating the impact of this new accounting standard on its consolidated financial position and results of operations.

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OPEN DOORS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. The amounts deferred as of December 31, 2022 and 2021 were $0 and $0, respectively.

NOTE 4 – RECLASSIFICATIONS

Certain balances from the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation. Such reclassifications had no effect on the previously reported net income for the year ended December 31, 2021.

NOTE 5 – RELATED PARTIES

The Company has one affiliate parent company that owns two subsidiary companies. These two subsidiaries operate two businesses that offer similar products and services to the Access Garage Doors Franchise being offered. The affiliate companies are owned by the majority owner of Open Doors, Inc. The affiliate companies do not offer franchises in any business, are independent entities and do not assume any legal or other obligations of Open Doors, Inc., nor does Open Doors, Inc, assume any of the affiliates legal or other obligations.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 20, 2023, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.