Opportunity Partners, Inc.
and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

Table of Contents
December 31, 2025 and 2024

Independent Auditors' Report

To the Board of Directors of
Opportunity Partners, Inc.

Opinion

We have audited the consolidated financial statements of Opportunity Partners, Inc. and subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 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 consolidated 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.

Baker Tilly US, LLP

Minneapolis, Minnesota
June 29, 2026

Opportunity Partners, Inc. and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 1,892,566	$ 820,331
Short term investments	1,819,990	2,229,365
Accounts receivable, net of allowance for credit losses of $477,906 for 2025 and $297,834 for 2024	2,513,278	2,861,552
Inventories	851,485	696,101
Prepaid expenses	370,630	588,223
Total current assets	7,447,949	7,195,572
Property and Equipment, Net	16,139,724	16,421,553
Other Assets		
Endowment investments	6,155,684	5,223,385
Right-of-use asset	-	9,246
Total other assets	6,155,684	5,232,631
Total assets	$ 29,743,357	$ 28,849,756
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 602,103	$ 830,021
Accrued liabilities	1,352,677	1,104,141
Deferred income	72,876	87,545
Lease liability	-	9,437
Current maturities of long-term debt, net	267,166	259,435
Total current liabilities	2,294,822	2,290,579
Long-Term Liabilities		
Long-term debt, net of debt issuance costs and current maturities	7,122,093	7,381,475
Total liabilities	9,416,915	9,672,054
Net Assets		
Without donor restrictions	14,623,021	14,254,560
With donor restrictions	5,703,421	4,923,142
Total net assets	20,326,442	19,177,702
Total liabilities and net assets	$ 29,743,357	$ 28,849,756

See notes to consolidated financial statements

Opportunity Partners, Inc. and Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue						
Contributions	$ 391,690	$ 497,898	$ 889,588	$ 337,643	$ 319,368	$ 657,011
In-kind contributions	54,715	-	54,715	57,261	-	57,261
Special events, net of expense of $116,416 in 2025 and $104,160 in 2024	386,216	-	386,216	409,492	-	409,492
Production and contract income	5,428,305	-	5,428,305	6,019,006	-	6,019,006
Rental income	647,114	-	647,114	665,016	-	665,016
Long-term investment income allocated to operations	11,963	178,037	190,000	9,819	150,286	160,105
Short-term investment and interest income	83,184		83,184	141,834	-	141,834
Training and service fees, net	24,120,097	-	24,120,097	21,744,131	-	21,744,131
Other	15,842	-	15,842	(1,862)	-	(1,862)
	31,139,126	675,935	31,815,061	29,382,340	469,654	29,851,994
Satisfaction of program restrictions	590,603	(590,603)		441,447	(441,447)	-
Total operating support and revenue	31,729,729	85,332	31,815,061	29,823,787	28,207	29,851,994
Operating Expenses						
Vocational services	16,242,688	-	16,242,688	16,391,529	-	16,391,529
Residential services	11,033,425	-	11,033,425	9,885,513	-	9,885,513
Management and general	3,568,932	-	3,568,932	3,010,901	-	3,010,901
Fundraising	566,700	-	566,700	564,673	-	564,673
Total operating expenses	31,411,745	-	31,411,745	29,852,616	-	29,852,616
Change in net assets from operating activities	317,984	85,332	403,316	(28,829)	28,207	(622)
Nonoperating Activities						
Long-term investment income	59,315	872,984	932,299	37,962	526,316	564,278
Long-term investment income allocated to operations	(11,963)	(178,037)	(190,000)	(9,819)	(150,286)	(160,105)
Gain on sale of property and equipment	3,125	-	3,125	2,620	-	2,620
Contributions restricted for endowment	-	-	-	-	104	104
Change in net assets from nonoperating activities	50,477	694,947	745,424	30,763	376,134	406,897
Change in net assets	368,461	780,279	1,148,740	1,934	404,341	406,275
Net Assets, Beginning	14,254,560	4,923,142	19,177,702	14,252,626	4,518,801	18,771,427
Net Assets, Ending	$ 14,623,021	$ 5,703,421	$ 20,326,442	$ 14,254,560	$ 4,923,142	$ 19,177,702

See notes to consolidated financial statements

Opportunity Partners, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2025
(With Comparative Totals for 2024)

	Vocational Services	Residential Services	Total Program Services	Management and General	Fundraising	Total Support Services	2025 Total	2024 Total
Staff wages	$ 9,288,838	$ 7,399,161	$ 16,687,999	$ 1,571,360	$ 372,370	$ 1,943,730	$ 18,631,729	$ 17,125,577
Client wages	1,438,844	-	1,438,844	-	-	-	1,438,844	1,448,086
Payroll taxes	835,071	589,907	1,424,978	115,071	28,185	143,256	1,568,234	1,417,230
Health and benefit	1,223,887	997,641	2,221,528	166,889	39,879	206,768	2,428,296	2,123,755
Total salaries and related expenses	12,786,640	8,986,709	21,773,349	1,853,320	440,434	2,293,754	24,067,103	22,114,648
Interest	-	-	-	223,362	-	223,362	223,362	236,185
Dues and subscriptions	13,408	24,455	37,863	21,160	8,349	29,509	67,372	137,401
Postage and freight	57,499	399	57,898	1,557	335	1,892	59,790	78,202
Professional fees	271,867	105,587	377,454	364,411	26,504	390,915	768,369	1,066,918
Occupancy	626,285	1,026,900	1,653,185	576,995	6,142	583,137	2,236,322	1,994,392
Supplies and program activities	1,703,174	409,261	2,112,435	43,488	15,099	58,587	2,171,022	2,346,026
Transportation	322,958	100,499	423,457	1,440	720	2,160	425,617	561,222
Professional development and conferences	41,764	30,131	71,895	161,565	4,161	165,726	237,621	216,665
Miscellaneous expense	125,792	196,494	322,286	43,592	63,280	106,872	429,158	346,307
Total expenses before depreciation	15,949,387	10,880,435	26,829,822	3,290,890	565,024	3,855,914	30,685,736	29,097,966
Depreciation	293,301	152,990	446,291	278,042	1,676	279,718	726,009	754,650
Total expenses	$ 16,242,688	$ 11,033,425	$ 27,276,113	$ 3,568,932	$ 566,700	$ 4,135,632	$ 31,411,745	$ 29,852,616

See notes to consolidated financial statements

Opportunity Partners, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Vocational Services	Residential Services	Total Program Services	Management and General	Fundraising	Total Support Services	2024 Total
Staff wages	$ 9,012,725	$ 6,479,237	$ 15,491,962	$ 1,260,622	$ 372,993	$ 1,633,615	$ 17,125,577
Client wages	1,448,086	-	1,448,086	-	-	-	1,448,086
Payroll taxes	772,434	524,724	1,297,158	93,070	27,002	120,072	1,417,230
Health and benefit	1,048,048	872,172	1,920,220	167,793	35,742	203,535	2,123,755
Total salaries and related expenses	12,281,293	7,876,133	20,157,426	1,521,485	435,737	1,957,222	22,114,648
Interest	-	-	-	236,185	-	236,185	236,185
Dues and subscriptions	86,442	23,220	109,662	22,441	5,298	27,739	137,401
Postage and freight	73,953	689	74,642	2,328	1,232	3,560	78,202
Professional fees	573,961	222,760	796,721	247,424	22,773	270,197	1,066,918
Occupancy	569,676	995,046	1,564,722	424,207	5,463	429,670	1,994,392
Supplies and program activities	1,923,082	334,689	2,257,771	70,136	18,119	88,255	2,346,026
Transportation	448,414	97,571	545,985	14,276	961	15,237	561,222
Professional development and conferences	20,783	10,427	31,210	175,417	10,038	185,455	216,665
Miscellaneous expense	108,356	155,730	264,086	18,723	63,498	82,221	346,307
Total expenses before depreciation	16,085,960	9,716,265	25,802,225	2,732,622	563,119	3,295,741	29,097,966
Depreciation	305,569	169,248	474,817	278,279	1,554	279,833	754,650
Total expenses	$ 16,391,529	$ 9,885,513	$ 26,277,042	$ 3,010,901	$ 564,673	$ 3,575,574	$ 29,852,616

Opportunity Partners, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 1,148,740	$ 406,275
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	726,009	754,650
Amortization of debt issuance costs	7,767	7,498
Gain on disposal of property and equipment, net	(3,125)	(2,620)
Gains on long-term investments	(789,268)	(468,263)
Noncash lease expense	(191)	(76)
Contributions restricted for long-term purposes	-	(104)
Change in allowance for credit losses on accounts receivable	180,072	(14,422)
Changes in assets and liabilities:		
Accounts receivable	168,202	(461,163)
Inventories	(155,384)	(294,394)
Prepaid expenses	217,593	(147,854)
Accounts payable	(227,918)	(149,282)
Accrued liabilities	248,536	397,539
Deferred income	(14,669)	(64,703)
Net cash flows from operating activities	1,506,364	(36,919)
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	3,125	2,620
Purchase of property and equipment	(444,180)	(300,294)
Purchases of investments	(233,656)	(210,572)
Proceeds from sale of investments	500,000	1,000,000
Net cash flows from investing activities	(174,711)	491,754
Cash Flows From Financing Activities		
Principal payments on long-term debt	(259,418)	(251,295)
Contributions received restricted for long-term purposes	-	104
Net cash flows from financing activities	(259,418)	(251,191)
Net change in cash and cash equivalents	1,072,235	203,644
Cash, Cash Equivalents and Restricted Cash, Beginning	820,331	616,687
Cash, Cash Equivalents, Ending	$ 1,892,566	$ 820,331
Supplemental Cash Flow Disclosures		
Cash paid for interest	$ 210,095	$ 237,090

See notes to consolidated financial statements

1. Summary of Significant Accounting Policies

Principles of Consolidation and Nature of Activities

The consolidated financial statements include Opportunity Partners, Inc. and its wholly owned subsidiaries OP Social Enterprises, LLC and OP Properties, LLC, disregarded entities as defined by the Internal Revenue Service. Opportunity Partners, Inc., OP Social Enterprises, LLC and OP Properties, LLC are collectively referred to as the Organization. The economic interest and control factors between the entities require a consolidated financial statement presentation. All material inter-organization transactions and accounts have been eliminated.

The Organization supports choices for people with disabilities through innovative services and strategic collaborations, assisting adults with disabilities to live, learn and work - adding value to their lives and communities.

Established in 1953, Opportunity Partners helps people with disabilities live, learn and work more independently. The Organization supports 1,003 people with disabilities each year. With services spanning from early adulthood to seniors, Opportunity Partners has a wide variety of programs to ensure that people with disabilities have the opportunity to lead rewarding, productive lives full of purpose and meaning.

Programs include, but are not limited to:

- *Employment services* for adults with developmental/intellectual disabilities, brain injury, autism and other special needs. These services include independent employment, supported employment, job skills training and temporary/flexible employment.

- *Production services* such as packaging, kitting and assembly. These services, operated by Opportunity Partners, provide people with disabilities with a variety of work experience.

- *Residential services* for people with disabilities. These services include group homes and services for independent and semi-independent living in apartments or at home with family members.

- *Educational services* for people with disabilities with a focus on learning skills for greater independence like cooking, money management and civic engagement.

OP Social Enterprises, LLC supports people with disabilities in a work setting. There was no activity in this entity during 2025.

OP Properties, LLC is the legal entity formed in 2018 to purchase a building to support programs.

Cash and Cash Equivalents

The Organization considers highly liquid investments, except those held for long-term investment, with a maturity of three months or less when purchased to be cash equivalents. Cash in excess of FDIC and similar insurance coverage is subject to the usual banking risks of funds in excess of those limits.

Accounts Receivable

Accounts receivables are stated at cost and are generally unsecured.

The Organization recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on expectations as of the statements of financial position date. Receivables are written off when the Organization determines that such receivables are deemed uncollectible. The Organization pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. The Organization also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Organization utilizes the aging method to determine lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Organization's historical loss experience. In determining loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider the following: past due receivables, customer creditworthiness, changes in the terms of receivables, and legal or regulatory requirements on the level of estimated credit losses in the existing receivables. For receivables that are not expected to be collected within the normal business cycle, the Organization considers current and forecasted direction of the economic, business and state and local government environments. Such forecasted information includes GDP growth, unemployment rates and interest rates amongst others for business services receivables, and potential legislative and/or regulatory changes for state and local government receivables.

Inventories

Inventories, which consist of supplies used in various programs of the Organization, are stated at the lower of cost and net realizable value, with cost determined on the first-in, first-out basis.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor-restrictions unless the income or loss is restricted by donor or law.

Property and Equipment, Net

Property and equipment are stated at cost if purchased or fair market value at date of the gift if donated. All acquisitions of property and equipment in excess of $3,000 and all expenditures for repairs, maintenance, improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There have been no such losses for the years ended December 31, 2025 and 2024.

Unemployment Compensation

The Organization has elected to self-insure unemployment tax claims. Any amounts incurred will be recorded as expense when incurred.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

With respect to net assets with donor restrictions, the Organization has adopted the following accounting policy:

Reporting as Donor-Restricted Revenues

Contributions and investment income received with donor-imposed restrictions that are met in the same year as received are reported as revenues in the with donor-restricted net asset class, and a reclassification to the without donor-restricted net asset class is made to reflect the expiration of such restrictions.

Board Designated Net Assets

The Organization's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. The Board of Directors has designated a portion of their net assets for endowment purposes (see Note 9).

Tax-Exempt Status

Opportunity Partners, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation. OP Social Enterprises, LLC and OP Properties, LLC are separate legal entities for state law and bankruptcy purposes. However, because Opportunity Partners, Inc. is the sole member of OP Social Enterprises, LLC and OP Properties, LLC, activities of OP Social Enterprises, LLC and OP Properties, LLC are included in the Section 501(c)(3) tax filings of Opportunity Partners, Inc.

In accordance with the accounting standard on *Accounting for Uncertainty in Income Taxes*, the Organization addresses the determination of whether tax benefits claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merit of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities during 2025 and 2024. The Organization's tax returns are subject to review and examination by federal and state authorities.

Revenue Recognition

Contributions - Contributions, including unconditional promises to give, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return or release from future obligations - are not recognized until the conditions on which depend have been met. Current contributions receivable are expected to be collected during the next year and are recorded at net realizable value. Long term contributions receivable are recorded at net present value. The Organization also recognizes an allowance for doubtful accounts for receivables arising from contribution revenue. Management analyzes the ability and intent to pay, and current funding trends when evaluating the adequacy of the allowance for doubtful accounts. There was no allowance for doubtful accounts as of December 31, 2025 and 2024.

Special Event Revenue - Special event revenue consists of registration fees and sponsorships for the Organization's fundraising events held. The Organization considers all special event revenue received to be conditional contributions to be recognized upon the occurrence of the specified event. Thus, contributions received prior to the event are deferred and recognized when the contribution becomes unconditional (i.e. the event has occurred). Special event revenue is recognized net of the costs that are a direct benefit to the donors. The Organization has recorded deferred income of $33,000 and $57,500 as of December 31, 2025 and 2024, respectively, relating to conditional contributions for special events occurring in 2025 and 2024, respectively.

Training and Service Fees - The Organization recognizes contract revenue for training and service fees as the performance obligations are satisfied under the terms of the contracts with the State of Minnesota and various counties. Performance obligations for training and service fees include day training and habilitation, independent living, semi-independent living, supported living and employment. The services are recognized and billed based on the transaction prices as stated in the various contracts by increments ranging from 15 minutes to an entire day.

Production and Contract Income - The Organization recognizes production and contract income as the performance obligations are satisfied under the terms of the agreements with customers. Performance obligations include assembly, packaging and delivery services provided by the Organization and are recognized and billed based on the fixed transaction prices provided for in the agreements.

Rental Income - The Organization leases portions of its facilities to unrelated parties. See Note 11. Rental income is recognized on a straight-line basis over the applicable non-cancelable lease term. Rental payments and other supplemental income payments received in advance are deferred and recognized in the period in which services are provided. In addition to base rent, lease related income streams include tenant reimbursement of costs paid by the Organization on behalf of the tenant for common area maintenance fees. The Organization has elected the practical expedient to combine lease and non-lease components (i.e., common area maintenance expense) to its commercial leases and accounts for the combined components under the lease guidance.

Contracts Assets and Liabilities

Contract assets include accounts receivable and represent the Organization's right to consideration in exchange for production and contract income and training and service fees where performance obligations are satisfied over the contract period. Contract liabilities are included in deferred income and include amounts paid for these services prior to the completion of the specific performance obligation.

Contract assets and liabilities are as follows for the years ended December 31:

	2025	2024	2023
Accounts receivable	$ 2,513,278	$ 2,861,552	$ 2,385,967
Deferred income	15,153	30,405	45,038

Donated Services

Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, costs such as facility and training expenses have been allocated among the programs and supporting services benefited. The allocations are determined by management and are based on square footage, usage, number of vehicles, budgeted percentages and weighted allocations, depending on the category of expense.

Advertising

Advertising costs are expensed as incurred.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Reclassifications

Certain amounts appearing in the 2024 financial statements have been reclassified to conform with the 2025 presentation. The reclassifications have no effect on previously reported amounts of total net assets or change in total net assets.

2. Liquidity and Availability of Financial Resources

The following table reflects the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other financial assets that are excluded from this measure of liquidity include endowments and accumulated earnings restricted by donors or the Organization's Board of Directors and reserves that can only be used for specific capital projects.

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 1,892,566	$ 820,331
Short term investments	1,819,990	2,229,365
Accounts receivable, net	2,513,278	2,861,552
Endowment investments	6,155,684	5,223,385
Financial assets at December 31	12,381,518	11,134,633
Less those unavailable for general expenditure within one year:		
Endowment net assets	5,965,684	5,223,385
Endowment assets appropriated for next year	(190,000)	(160,000)
Financial assets not available for expenditure within one year	5,775,684	5,063,385
Financial assets available to meet cash needs for general expenditure within one year	$ 6,605,834	$ 6,071,295

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets a minimum of 60 days of operating expense coverage at any point in time.

The Organization also has a $1,000,000 line of credit with Bell Bank (see Note 7). The Organization has funds functioning as endowment in the amount of approximately $417,000 and $370,000 at December 31, 2025 and 2024, respectively. These funds are subject to the annual spending rate as described in Note 9. Although the Organization does not intend to draw upon the endowed portion of these funds, these amounts could be made available if deemed necessary.

In addition to the financial assets noted above, the Organization has funds functioning as endowment in the amount of $417,000 and $370,000 at December 30, 2025 and 2024, respectively. These funds are subject to the annual spending rate as described in Note 9. Although the Organization does not intend to draw upon the endowed portion of these funds, these amounts could be made available if deemed necessary.

3. Fair Value of Financial Instruments and Investments

The Organization follows the accounting guidance on fair value measurements. Fair value is defined in the guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liabilities in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which is based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

The three levels are defined as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table summarizes financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2025:

	Total	Level 1	Level 2	Level 3
Assets:				
Mutual funds:				
Domestic fixed income	$ 3,205,933	$ 3,205,933	$ -	$ -
International fixed income	276,763	276,763	-	-
Domestic equity securities	2,584,213	2,584,213	-	-
International equity securities	1,908,765	1,908,765	-	-
Total	$ 7,975,674	$ 7,975,674	$ -	$ -

The following table summarizes financial instruments measured at fair value on a recurring basis by classification within the fair value hierarchy as of December 31, 2024:

	Total	Level 1	Level 2	Level 3
Assets:				
Mutual funds:				
Domestic fixed income	$ 3,533,343	$ 3,533,343	$ -	$ -
International fixed income	268,804	268,804	-	-
Domestic equity securities	2,206,507	2,206,507	-	-
International equity securities	1,444,096	1,444,096	-	-
Total	$ 7,452,750	$ 7,452,750	$ -	$ -

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

Mutual funds are classified as Level 1 as they trade in an active market for which close market prices are readily available.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The Organization has not changed any of its fair value methodologies during 2025 or 2024.

Income from investments is summarized as follows:

	2025	2024
Interest and dividends	$ 263,715	$ 267,849
Net realized gains	100,739	181,883
Net unrealized gains	688,529	286,380
Less fees	(37,500)	(30,000)
Total	$ 1,015,483	$ 706,112

Investment income is classified on the consolidated statement of activities as follows:

	2025	2024
Investment income, long-term	$ 932,299	$ 564,278
Investment income, short-term	83,184	141,834
Total	$ 1,015,483	$ 706,112

The Board of Directors designates only a portion of the cumulative investment return for support of current operations. The amount appropriated to operations was $190,000 in 2025 and approximately $160,000 in 2024.

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

4. Property and Equipment

The major categories of property and equipment at December 31 are summarized as follows:

	Depreciable Lives	2025	2024
Land		$ 4,053,723	$ 4,053,723
Buildings and improvements	10 - 50 years	18,755,696	18,543,254
Production equipment	6 years	833,162	833,162
Office furniture and equipment	4 - 6 years	3,114,306	2,972,124
Motor vehicles	4 years	1,652,927	1,597,900
Computer equipment and software	4 - 10 years	699,888	699,888
Construction in progress		82,500	48,970
Total property and equipment		29,192,202	28,749,021
Less accumulated depreciation		(13,052,478)	(12,327,468)
Net property and equipment		$ 16,139,724	$ 16,421,553

The Organization entered into a contract for a roofing replacement project on February 2, 2026. The total contract amount was approximately $600,000. The project is anticipated to be substantially completed during 2026 and fully completed during 2027.

5. Training and Service Fees

Training and service fees as of December 31 consist of the following:

	2025	2024
Day training and habilitation	$ 8,825,088	$ 8,839,122
Supported employment	2,089,499	2,151,399
Vocational services	125,742	202,780
Supported living services	9,811,455	7,531,112
Independent living	1,907,551	1,612,368
Semi-independent living skills	1,360,762	1,407,350
Total	$ 24,120,097	$ 21,744,131

6. Long-Term Debt, Net

	2025	2024
Loan issued in June 2021 in an original principal amount of $2,925,000 to refinance Wells Fargo loan. Principal and interest payments of $13,778 due monthly until June 10, 2031, when final payment is due. The interest rate is 2.9%, and it is collateralized by the Bren Road building at the approximate carrying value of $4,088,500 as of December 31, 2025.	$ 2,542,836	$ 2,631,978
Loan issued in June 2021 in an original principal amount of $3,250,000 to refinance Wells Fargo loan and to provide down payment for building at 9805 45th Avenue, Plymouth, MN. Principal and interest payments of $15,316 due monthly until June 10, 2031, when final payment is due. The interest rate is 2.9%, and it is collateralized by the Koch building at the approximate carrying value of $3,068,300 as of December 31, 2025.	2,824,965	2,924,094
Loan issued in September 2021 in an original principal amount of $2,353,000 for purchase of the building at 9805 45th Avenue, Plymouth, MN. Principal and interest payments of $11,077 due monthly until September 10, 2031, when final payment is due. The interest rate is 2.9%, and it is collateralized by the Karlin's Center building at the approximate carrying value of $4,291,600 as of December 31, 2025.	2,062,576	2,133,723
Total	7,430,377	7,689,795
Less debt issuance costs	(41,118)	(48,885)
Less current maturities	(267,166)	(259,435)
Total long-term debt, net	$ 7,122,093	$ 7,381,475

The loans require that the Organization meet certain financial covenants including a debt service ratio, as defined in the agreements, of not less than 1.0x. If the Organization falls below the 1.0x debt service ratio, the default will be waived for 12 months if a book net worth of $12,000,000 is maintained.

Principal requirements on long-term debt for years ending after December 31, 2025 are as follows:

Years ending December 31:	
2026	$ 267,166
2027	275,128
2028	282,764
2029	291,755
2030	300,450
Thereafter	6,013,113
Total	$ 7,430,377

7. Line of Credit

The Organization has $1,000,000 available under a line of credit which expires June 30, 2026. The interest rate is equal to Prime less 0.15%. The effective rate was 6.85% and 7.35% at December 31, 2025 and 2024, respectively. The line of credit is secured by all inventory, equipment and fixtures. There was no outstanding balance on the line of credit as of December 31, 2025 and 2024.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 consist of:

	2025	2024
Program and opportunities fund	$ 154,658	$ 69,326
Endowment funds	5,548,763	4,853,816
Total	$ 5,703,421	$ 4,923,142

9. Endowment

The Organization's endowment consists of approximately 48 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the State of Minnesota as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as with donor-restricted net assets (a) the original value of gifts donated to the with donor-restricted endowment, (b) the original value of subsequent gifts to the with donor-restricted endowment, and (c) accumulations to the with donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in with donor-restricted net assets is classified as without donor-restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and growing stream of annual distributions in support of Opportunity Partners' mission. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds.

The Organization has an investment policy that determines a maximum spending rate of 4% applied to a three-year moving average of year end endowment assets in which the distribution is planned. Spending is subject to annual Board approval. In establishing this policy, the Organization considered the long-term expected return on its endowment. Under this policy, the endowment assets are invested in a manner that is intended to produce results that meet or exceed the return on a globally diversified balanced portfolio while assuming a moderate level of investment risk.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2025 or 2024.

The following table summarizes endowment net asset composition by type of fund as of December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	$ -	$ 5,548,763	$ 5,548,763
Board-designated funds	416,921	-	416,921
Total funds	$ 416,921	$ 5,548,763	$ 5,965,684

The following table summarizes endowment net asset composition by type of fund as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	$ -	$ 4,853,816	$ 4,853,816
Board-designated funds	369,569	-	369,569
Total funds	$ 369,569	$ 4,853,816	$ 5,223,385

Change in endowment net assets for December 31, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	$ 341,426	$ 4,477,682	$ 4,819,108
Investment return:			
Investment income, net of fees	7,208	88,807	96,015
Net appreciation (realized and unrealized)	30,754	437,509	468,263
Total investment return	37,962	526,316	564,278
Contributions	-	104	104
Appropriation of endowment assets for expenditure	(9,819)	(150,286)	(160,105)
Endowment net assets, December 31, 2024	369,569	4,853,816	5,223,385
Investment return:			
Investment income, net of fees	9,100	133,931	143,031
Net appreciation (realized and unrealized)	50,215	739,053	789,268
Total investment return	59,315	872,984	932,299
Appropriation of endowment assets for expenditure	(11,963)	(178,037)	(190,000)
Endowment net assets, December 31, 2025	$ 416,921	$ 5,548,763	$ 5,965,684

10. Right-of-Use Asset and Operating Lease Liability

Right-of-use assets under operating leases totaled $0 and $9,246 as of December 31, 2025 and 2024, respectively. The right-of-use asset represents the Organization's right to use an underlying asset for the lease term, while lease liability represents the Organization's obligation to make lease payments arising from the lease. The right-of-use asset and lease liability are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Organization's leases may include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Organization's sole discretion. The Organization regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Organization includes such options in the lease term. Additionally, upon adoption of the new standard, the Organization made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. The Organization estimated a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term.

The Organization has made an accounting policy election to have the discount rate used to measure the right-of-use asset and liability to be the risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

The right-of-use asset is assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;

- Determined whether contracts contain embedded leases;

- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases;

- Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments.

The Organization does not have any material leasing transactions with related parties.

The right-of-use asset and lease liability were calculated using a weighted average discount rate of 4.23% for the year ended December 31, 2024.

Below is a summary of expenses incurred pertaining to leases during the years ended December 31:

	2025	2024
Operating lease expense	$ 9,247	$ 34,472
Short-term lease expense	510,788	463,176
	$ 520,035	$ 497,648

Cash paid for amounts included in the measurement of the operating lease liability was $9,437 and $34,548 for the years ended December 31, 2025 and 2024, respectively. This amount is included in noncash lease expense on the statement of cash flows.

11. Rental Income

The Organization leases a portion of its facilities to unrelated parties. Future lease receipts as of December 31, 2025 are as follows:

Years ending December 31:	
2026	$ 226,967
2027	224,665
2028	156,374
Total	$ 608,005

Rental income was $647,114 and $665,016 for the years ended December 31, 2025 and 2024, respectively, which includes common area maintenance paid by certain tenants.

12. Retirement Plan

The Organization has a 403(b) and a 457(b) tax deferred annuity plan covering all eligible employees. Opportunity Partners, Inc. makes discretionary contributions to the plans. Contributions are determined by the Board of Directors. Retirement plan expense was $104,610 and $99,068 for the years ended December 31, 2025 and 2024, respectively.

13. In-kind Contributions

For the years ended December 31, 2025 and 2024, in-kind contributions recognized within public support on the statements of activities included:

	2025	2024
Gala gifts	$ 54,715	$ 41,560
Clothing and household goods	-	1,225
Food	-	1,876
Professional services - printing	-	12,600
	$ 54,715	$ 57,261

Contributed professional services are valued and reported at the cost for services the donating firms would have otherwise charged. Other contributed items detailed in the table above are recorded at fair value when received. In valuing these items, the Organization estimated the fair value on the basis of estimates of the cost of similar items if purchased.

Contributed items are utilized in operations or supporting services of the Organization. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

14. Commitments and Contingencies

Financial awards from federal, state and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

The Organization is involved in legal and regulatory matters as part of the normal course of business activities. While the outcome of these matters is uncertain, management anticipates resolution that will not have a material impact on the Organization's financial position.

15. Concentrations

The Organization received approximately $21,315,645 and $18,924,424 of its funding from the State of Minnesota during the years ended December 31, 2025 and 2024, respectively. Accounts receivable are primarily from the State of Minnesota.

The Organization provides services within the Greater Twin Cities area. The amounts due for services provided are from local individuals or their third-party payers. Due to periodic changes in the State of Minnesota budget, it is possible that in 2026 or beyond, the Organization may experience some reduction in State funding.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, marketable securities and accounts receivable. Cash balances periodically exceed federally insured limits. Marketable securities, consisting of both debt and equity instruments are generally placed in a managed fund administered by an investment manager.

16. Subsequent Events

The Organization has evaluated subsequent events through June 29, 2026, which is the date that the consolidated financial statements were available for issue.