

OPENING DOORS NORTHWEST FLORIDA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

OPENING DOORS NORTHWEST FLORIDA, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Opening Doors Northwest Florida, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Opening Doors Northwest Florida, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Opening Doors Northwest Florida, Inc. as of June 30, 2023 and 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
October 2, 2023

**OPENING DOORS NORTHWEST FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS		
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 159,972	\$ 167,508
Grants receivable	174,853	862,759
Other current assets	11,732	18,688
Total current assets	346,557	1,048,955
PROPERTY AND EQUIPMENT, NET	74,044	106,197
OPERATING LEASE RIGHT-OF-USE ASSETS, NET	168,448	-
TOTAL ASSETS	\$ 589,049	\$ 1,155,152
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 90,658	\$ 668,808
Accrued payroll and leave liabilities	35,769	40,496
Unearned revenue	-	3,627
Current portion of operating lease liabilities	40,570	-
Total current liabilities	166,997	712,931
OPERATING LEASE LIABILITIES, NET	134,438	-
NET ASSETS		
Without donor restrictions	287,414	430,998
With donor restrictions	200	11,223
Total net assets	287,614	442,221
TOTAL LIABILITIES AND NET ASSETS	\$ 589,049	\$ 1,155,152

See notes to the financial statements.

**OPENING DOORS NORTHWEST FLORIDA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and other revenue		
Grants revenue	\$ 1,518,545	\$ 4,420,796
Contributions	11,707	12,288
Other income	51,401	65,275
Net assets released from restriction	11,323	19,211
Total support and other revenue and net assets released from restriction	<u>1,592,976</u>	<u>4,517,570</u>
OPERATING EXPENSES		
Program services	1,424,220	4,183,635
Supporting services	312,340	235,877
Total operating expenses	<u>1,736,560</u>	<u>4,419,512</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(143,584)</u>	<u>98,058</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	300	1,000
Net assets released from restrictions	(11,323)	(19,211)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(11,023)</u>	<u>(18,211)</u>
CHANGES IN NET ASSETS	(154,607)	79,847
NET ASSETS, BEGINNING OF YEAR	<u>442,221</u>	<u>362,374</u>
NET ASSETS, END OF YEAR	<u>\$ 287,614</u>	<u>\$ 442,221</u>

See notes to the financial statements.

**OPENING DOORS NORTHWEST FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	Program Services	Supporting Services	2023 Total
PERSONNEL COSTS			
Salaries	\$ 403,133	\$ 181,117	\$ 584,250
Fringe benefits	20,461	9,192	29,653
Payroll taxes	32,541	14,620	47,161
Total personnel costs	456,135	204,929	661,064
OPERATING EXPENSES			
Advertising	494	55	549
Client assistance	40,191	4,466	44,657
Conventions and meetings	1,392	-	1,392
Depreciation	28,938	3,215	32,153
Insurance	4,648	516	5,164
Internet and software	17,760	1,973	19,733
Meals and entertainment	572	64	636
Office expenses	21,760	2,418	24,178
Printing and publishing	2,538	282	2,820
Professional fees	46,170	5,130	51,300
Program related contracts	745,586	82,843	828,429
Rent	41,454	4,606	46,060
Taxes and licenses	494	55	549
Travel	2,409	268	2,677
Utilities	13,679	1,520	15,199
Total operating expenses	968,085	107,411	1,075,496
TOTAL EXPENSES	\$ 1,424,220	\$ 312,340	\$ 1,736,560

See notes to the financial statements.

**OPENING DOORS NORTHWEST FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES- CONTINUED
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2022 Total</u>
PERSONNEL COSTS			
Salaries	\$ 513,966	\$ 185,139	\$ 699,105
Fringe benefits	38,856	13,652	52,508
Payroll taxes	43,268	15,202	58,470
Total personnel costs	596,090	213,993	810,083
OPERATING EXPENSES			
Advertising	494	55	549
Client assistance	49,055	5,451	54,506
Depreciation	25,742	2,860	28,602
Insurance	5,149	572	5,721
Internet and software	15,975	1,775	17,750
Meals and entertainment	149	17	166
Office expenses	34,654	3,850	38,504
Printing and publishing	3,016	335	3,351
Professional fees	16,642	1,849	18,491
Program related contracts	3,390,585	-	3,390,585
Rent	32,400	3,600	36,000
Taxes and licenses	253	28	281
Travel	36	4	40
Utilities	13,395	1,488	14,883
Total operating expenses	3,587,545	21,884	3,609,429
TOTAL EXPENSES	<u>\$ 4,183,635</u>	<u>\$ 235,877</u>	<u>\$ 4,419,512</u>

See notes to the financial statements.

**OPENING DOORS NORTHWEST FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (154,607)	\$ 79,847
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	32,153	28,602
Amortization of right-to-use assets	40,055	-
Changes in operating assets and liabilities:		
Decrease (increase) in operating assets		
Grants receivable	687,906	(759,476)
Other current assets	6,956	12,431
Increase (decrease) in operating liabilities		
Accounts payable	(578,150)	642,369
Accrued payroll and leave liabilities	(4,727)	(2,631)
Unearned revenue	(3,627)	(12,311)
Operating lease liabilities	(33,495)	-
Net cash used in operating activities	<u>(7,536)</u>	<u>(11,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(50,210)</u>
Net cash used in investing activities	<u>-</u>	<u>(50,210)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,536)	(61,379)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	167,508	228,887
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 159,972</u>	<u>\$ 167,508</u>

See notes to the financial statements.

OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Opening Doors Northwest Florida, Inc. (the Organization) is a not-for-profit social service agency. The Organization carries out the social mission to increase public awareness of issues in Escambia and Santa Rosa counties about the nature of homelessness, establish a better way to fund programs to help the homeless and guide public giving toward coordinated resources. The office is located in Pensacola, and programs include being the lead agency for the Homeless Management Information System, street outreach and housing. The Organization's primary funding sources are grant funding from federal, state, and local or county grants.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The Organization follows standards of accounting and financial reporting prescribed for nonprofit organizations. The Organization uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

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

Net assets without donor restrictions are not subject to donor-imposed stipulations. Board designated or appropriated amounts are legally unrestricted and are reported as part of the net assets without donor restriction class.

Net assets with donor restrictions are subject to donor-imposed stipulations that include time and/or purpose restrictions. At June 30, 2023 and 2022, net assets with donor restrictions of \$200 and \$11,223 consisted of unspent contributions designated by donors for use by a particular program or for specific purposes or functions of the Organization.

Cash and Cash Equivalents

The Organization considers all liquid investments purchased within three months of maturity to be cash equivalents.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. A summary of each of the revenue and support flows are as follows.

OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition – Continued

Gifts and grants, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Gifts and grants of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in this section. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk-adjusted discount rate depending on the time period involved. Amortization of the discount is included in gift and grant revenue in accordance with the donor-imposed restrictions, if any, on the gifts or grants.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions received pending designation by the donor are considered with donor restrictions until known, at which time such are reclassified, if required.

Support funded by cost reimbursement type grants is recognized as revenue as the Organization incurs costs associated for program services. Accordingly, as the Organization incurs direct programmatic expenses eligible for reimbursement under the grant agreements, revenue is recognized along with amounts allowable for overhead. Invoiced and un-invoiced amounts are recorded in grants receivable as such costs are incurred or, in the case when grants that are funded in advance, as a reduction in the associated deferred revenue from such grantor.

Grant receivables are stated at face amount with no allowance for doubtful accounts. Grants receivable represent amounts due typically under cost reimbursement type grants. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at the estimated fair value at the date of the gift. The cost of maintenance and repairs is charged to expense as incurred. The Organization follows the practice of capitalizing expenditures in excess of \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives of the various classes of assets are three to ten years. When assets are retired or otherwise disposed, the cost and related accumulated depreciation is removed, and any resulting gain or loss is reflected in income for the period.

Donated Services and Materials

Significant donated equipment and supplies are reflected as contributions in the accompanying statements at the estimated fair value of the equipment or supplies at the date of the donation.

OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements. The Organization is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with United States generally accepted accounting principles.

Use of Estimates

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

Compensated Absences

Employees are allowed to accumulate earned but unused vacation time up to a maximum of 160 hours at calendar year-end unless the employee has worked more than five years, then the maximum accrual is 188 hours. Accordingly, an accrual for earned but unused vacation time has been included in accrued liabilities in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain costs have been allocated among the program and supporting services. Costs have been allocated based on time and effort or occupancy costs among the programs and supporting activities which have benefited from these allocations.

Right-Of-Use Lease Assets and Lease Liabilities

Effective July 1, 2022, the Organization adopted ASC 842. The most significant impact was the recognition of right-of-use (ROU) assets and lease liabilities for operating leases. As a result of adopting the new standard, the Organization recorded ROU assets and lease liabilities in the amount of approximately \$208,500 on July 1, 2022. The Organization, in most cases, does not record leases with an initial term of 12 months or less, instead recognizes lease expense for these leases on a straight-line basis over the lease term. For leases that commenced before July 1, 2022, the Organization has applied the modified retrospective transition method which resulted in comparative information not being restated. A number of optional practical expedients were available in transition. The Organization elected the “package of practical expedients,” which permits the Organization to not reassess the prior conclusions reached about lease identification, lease classification and initial direct costs.

Right-of-use assets and liabilities are initially measured at the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease at the commencement date. Right-of-use assets are adjusted for any lease payments made prior to lease commencement, lease incentives and accrued rent. If the rate implicit in the lease cannot be readily determined, the Organization uses the risk-free interest rate.

**OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Right-Of-Use Lease Assets and Lease Liabilities – Continued

The Organization’s leases may include options to extend or terminate the lease. When it is reasonably certain that the Organization will exercise such option, the lease term includes those periods. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Subsequent Events

Management has evaluated subsequent events through October 2, 2023, which is the date the financial statements were available to be issued.

2. GRANTS RECEIVABLE

Grants receivable are summarized as follows:

	<u>2023</u>	<u>2022</u>
ESG and ESG-CV	\$ 123,746	\$ 764,488
Other	51,107	98,271
	<u>\$ 174,853</u>	<u>\$ 862,759</u>

3. PROPERTY AND EQUIPMENT

Major classifications of property and equipment are summarized as follows:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 43,913	\$ 43,913
Vehicles	150,199	150,199
	194,112	194,112
Accumulated depreciation	<u>(120,068)</u>	<u>(87,915)</u>
Property and equipment, net	<u>\$ 74,044</u>	<u>\$ 106,197</u>

During the year ended June 30, 2022, the Organization purchased approximately \$50,000 in vehicles with Continuum of Care Program funds. Depreciation expense for the years ended June 30, 2023 and 2022, was \$32,153 and \$28,602, respectively.

**OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

4. OPERATING LEASE LIABILITIES

The Organization leases its facility with lease terms expiring in 2027. At June 30, 2023, the weighted average discount rate and the weighted average remaining term (in years) were 2.89% and 3.84, respectively. Total operating lease costs were \$45,559, and short-term lease expense was \$33,495 for the year ended June 30, 2023. As previously disclosed under ASC 840, the rental expense for the year ended June 30, 2022, was \$36,000. The future minimum lease payment for each of the succeeding four years, remaining under the noncancelable operating lease, consisted of the following:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 45,000
2025	48,000
2026	48,000
2027	44,000
Total minimum lease payments	<u>185,000</u>
Less imputed interest	<u>(9,992)</u>
Present value of operating lease liabilities	175,008
Less current portion of operating lease liabilities	<u>40,570</u>
	<u><u>\$ 134,438</u></u>

Total cash paid for operating lease liabilities for the year ended June 30, 2023, was \$39,000. Total ROU assets obtained in exchange for lease obligations for the year ended June 30, 2023, was \$208,503.

5. CONCENTRATIONS

Funding Contingencies

For the year ended June 30, 2023 and 2022, the Organization received 96% and 99% of its support from grant funding.

Concentration of Credit Risk

The Organization places its cash and cash equivalents with financial institutions whose credit ratings are monitored by management to minimize credit risk. However, at times, the Organization may have cash and cash equivalents at financial institutions in excess of the insured limit. At June 30, 2023 and 2022, there were no deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

**OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

6. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has a policy to manage its liquidity and reserves, following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 159,972	\$ 167,508
Grants receivable, net, collectible in less than one year	<u>174,853</u>	<u>862,759</u>
Total financial assets	<u>334,825</u>	<u>1,030,267</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 334,825</u>	<u>\$ 1,030,267</u>

COMPLIANCE SECTION

**OPENING DOORS NORTHWEST FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal and State Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Pass-Through to Subrecipients</u>
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Passed through state of Florida, Department of Children and Families				
Emergency Solutions Grant Program	14.231	APZ10	\$ 257,000	\$ 239,125
COVID-19 – Emergency Solutions Grant Program	14.231	APZ10	395,186	137,508
			<u>652,186</u>	<u>376,633</u>
Direct				
Continuum of Care Program	14.267	FL0636L4H112004	6,200	-
Continuum of Care Program	14.267	FL0636L4H112105	250,870	-
Continuum of Care Program	14.267	FL0139L4H112013	16,018	-
Continuum of Care Program	14.267	FL0139L4H112114	15,564	-
Continuum of Care Program	14.267	FL0141L4H111912	143,974	-
Continuum of Care Program	14.267	FL0901L4H112100	56,976	-
			<u>489,602</u>	<u>-</u>
Housing Voucher Cluster				
Passed through City of Pensacola, Florida				
COVID-19 Section 8 Housing Choice Vouchers	14.871	FL092ES0001	56,415	-
Total Housing Voucher Cluster			<u>56,415</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through state of Florida, Department of Children and Families				
Temporary Assistance for Needy Families	93.558	APZ10	38,000	-
TOTAL FEDERAL AWARDS			<u>\$ 1,236,203</u>	<u>\$ 376,633</u>

See notes to the schedule of expenditures of federal awards.

**OPENING DOORS NORTHWEST FLORIDA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

A. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the schedule presents only a select portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2023. Expenditures reported on the schedule are reported on the accrual basis of accounting.

C. DE MINIMIS INDIRECT COST RATE ELECTION

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

D. CONTINGENCIES

The programs shown in the schedule of expenditures of federal awards are subject to audit by grantor agencies. If any expenditures or expenses are disallowed by the grantor agencies as a result of such audit, any claim for reimbursement to the grant agencies would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

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

To the Board of Directors
Opening Doors Northwest Florida, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Opening Doors Northwest Florida, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 2, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
October 2, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Opening Doors Northwest Florida, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Opening Doors of Northwest Florida Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2023. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance – Continued

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
October 2, 2023

**OPENING DOORS NORTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is/are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is/are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major program:

Assistance Listing Number/

Name of Federal Program or Cluster	Assistance Listing Number
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Emergency Solutions Grant Program	14.231
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Dollar threshold used to distinguish between type A and type B programs for federal awards?	<u>\$750,000</u>
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- | | |
|---|---------------------------|
| Auditee qualified as low-risk auditee for federal awards? | _____ Yes <u> X </u> No |
|---|---------------------------|

**OPENING DOORS NORTHWEST FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

B. FINDINGS – FINANCIAL STATEMENTS

There were no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings which were required to be reported in accordance with the Uniform Guidance.