

OPEN DOORS HOMELESS COALITION

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2021

Open Doors Homeless Coalition
December 31, 2021

Table of Contents

List of Board of Directors	1
Independent Auditor's Report	2
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards and Notes	15
SPECIAL REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .	16-17
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	18-19
Schedule of Findings and Questioned Costs	20

Open Doors Homeless Coalition
December 31, 2021

LIST OF BOARD OF DIRECTORS

Board Members

Charlotte King – Chairman

Erica Johnson – Co-Secretary

Derek Waffel – Co-Secretary

Stephen Reed - Treasurer

Henry McNeal – Board Member

Honora Mayfield, Board Member

Executive Director

Mary Simons

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1929)

Certified Public Accountants

HANCOCK BANK BUILDING

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Open Doors Homeless Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Open Doors Homeless Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Open Doors Homeless Coalition as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Open Doors Homeless Coalition and to meet our other ethical responsibilities, in accordance with the 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 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 Open Doors Homeless Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit 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 Open Doors Homeless Coalition’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Open Doors Homeless Coalition’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.

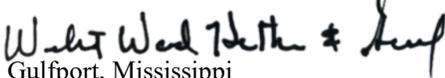
The list of Board of Directors is presented for purposes of additional analysis and is not a required part of the basic financial statements. The list of Board of Directors has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurances on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2022, on our consideration of Open Doors Homeless Coalition’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 Open Doors Homeless Coalition’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 Open Doors Homeless Coalition’s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Open Doors Homeless Coalition’s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


 Gulfport, Mississippi
 September 23, 2022

FINANCIAL STATEMENTS

Open Doors Homeless Coalition
Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 609,528	\$ 169,571
Accounts receivable	-	110
Grants receivable	885,270	139,400
Total Current Assets	<u>1,494,798</u>	<u>309,081</u>
Property and equipment, at cost net of accumulated depreciation	<u>169,637</u>	<u>-</u>
Total Assets	<u>\$ 1,664,435</u>	<u>\$ 309,081</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 9,301	\$ 749
Accrued payroll liabilities	3,125	4,762
Unearned fees - Harrison County ERA	600,000	-
Line of credit	-	99,049
Total Current Liabilities	<u>612,426</u>	<u>104,560</u>
Total Liabilities	<u>612,426</u>	<u>104,560</u>
Net Assets		
Without donor restrictions	247,752	122,870
With donor restrictions	804,257	81,651
Total Net Assets	<u>1,052,009</u>	<u>204,521</u>
Total Liabilities and Net Assets	<u>\$ 1,664,435</u>	<u>\$ 309,081</u>

The accompanying Notes are an integral part of this Financial Statement

Open Doors Homeless Coalition
Statement of Activities
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains and Other Support				
Contributions	\$ 105,524	-	105,524	105,547
Grants and contracts	-	10,250,449	10,250,449	2,637,708
Membership dues	30,120	-	30,120	20,382
Interest income	85	-	85	139
Net assets released from restrictions	9,527,843	(9,527,843)	-	-
Total Revenues, Gains and Other Support	<u>9,663,572</u>	<u>722,606</u>	<u>10,386,178</u>	<u>2,763,776</u>
Expenses				
Program expenses	9,366,752	-	9,366,752	2,534,051
General and administrative expenses	171,938	-	171,938	196,516
Total Expenses	<u>9,538,690</u>	<u>-</u>	<u>9,538,690</u>	<u>2,730,567</u>
Change in Net Assets	124,882	722,606	847,488	33,209
Net Assets at Beginning of Year	<u>122,870</u>	<u>81,651</u>	<u>204,521</u>	<u>171,312</u>
Net Assets at End of Year	<u>\$ 247,752</u>	<u>804,257</u>	<u>1,052,009</u>	<u>204,521</u>

The accompanying Notes are an integral part of this Financial Statement

Open Doors Homeless Coalition
Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	<u>Program</u>	<u>General & Administrative</u>	<u>2021 Total</u>	<u>2020 Total</u>
Compensation				
Salary and wages	\$ 481,808	125,189	606,997	538,277
Payroll taxes and benefits	<u>47,931</u>	<u>16,329</u>	<u>64,260</u>	<u>41,397</u>
Total Compensation	<u>529,739</u>	<u>141,518</u>	<u>671,257</u>	<u>579,674</u>
Expenses				
Advertising	82	78	160	53
Bank service charges	-	3,757	3,757	2,560
Depreciation	-	363	363	-
Direct assistance	8,402,197	-	8,402,197	1,398,391
Dues and subscriptions	-	1,274	1,274	2,090
Information technology	483	347	830	4,028
Insurance	78,903	11,777	90,680	72,985
Interest expense	-	3,630	3,630	3,193
Miscellaneous	-	345	345	1,075
Postage and delivery	1,028	322	1,350	676
Professional fees	69,664	163	69,827	67,471
Professional training, conferences	3,133	2,719	5,852	6,436
Rent	38,638	250	38,888	31,667
Repairs and maintenance	143,306	118	143,424	524,628
Supplies and equipment	43,322	4,892	48,214	21,898
Telephone	26,638	317	26,955	10,662
Travel	29,619	68	29,687	3,080
Total Expenses	<u>8,837,013</u>	<u>30,420</u>	<u>8,867,433</u>	<u>2,150,893</u>
Total Compensation and Expenses	<u>\$ 9,366,752</u>	<u>171,938</u>	<u>9,538,690</u>	<u>2,730,567</u>

The accompanying Notes are an integral part of this Financial Statement

Open Doors Homeless Coalition
Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 847,488	33,209
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	363	-
Decrease (increase) in operating assets		
Accounts and grants receivable	(745,760)	(141,444)
Undeposited funds	-	38,896
Increase (decrease) in operating liabilities:		
Accounts payable	8,552	(3,746)
Accrued payroll liabilities	(1,637)	(92)
Unearned fees - Harrison County ERA	600,000	-
Line of credit	(99,049)	98,999
Net Cash Provided (Used) by Operating Activities	609,957	25,822
 Cash Flows from Investing Activities		
Purchase of building	(170,000)	-
Net Cash Provided (Used) by Investing Activities	(170,000)	-
 Net Increase (Decrease) in Cash	439,957	25,822
 Cash, Beginning of Year	169,571	143,749
 Cash, End of Year	\$ 609,528	169,571

The accompanying Notes are an integral part of this Financial Statement

NOTES TO THE FINANCIAL STATEMENTS

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – Summary of Significant Accounting Policies

A. Organization

Open Doors Homeless Coalition (ODHC) is a 501(c)(3) nonprofit organization that was founded in 2005 under the laws of the State of Mississippi whose purpose is to work collaboratively toward the prevention of homelessness and the creation of lasting solutions for homeless and at-risk families, children, and individuals throughout South Mississippi.

ODHC provides its mission through the following services:

- *Continuum of Care* – The Continuum of Care is an all-year-long collaborative planning process to create and implement solutions to homelessness. Over 50 member agencies and concerned citizens gather together monthly to highlight programs that work, discuss gaps in the system, work on committee projects, and network with each other.
- *Homeless Management Information System (HMIS)* – ODHC serves as the HMIS lead for the six southern-most counties of Mississippi: Harrison County, Jackson County, Hancock County, Stone County, George County, and Pearl River County. AWARDS by Foothold Technology functions as the HMIS database used by member agencies in the community to document housing and services activities.
- *Coordinated Entry* – ODHC’s Coordinated Entry system is the “front door” to housing opportunities and services in the southern-most counties of Mississippi. Generally, individuals and families who are eligible for the Emergency Solutions Grant, Continuum of Care Rapid Rehousing, or Continuum of Care Permanent Supportive Housing are prioritized based on need and referred to the community program that can best meet the need.
- *Homeless Prevention and Rapid Rehousing* – For individuals and families who are experiencing a housing crisis and qualify for assistance, ODHC may be able to provide support in the form of case management and time-limited rental subsidies. Assistance requires prioritization based on need and the availability of funding. For individuals and families who are living outside and identified by community outreach teams, ODHC provides deposits, rental assistance, case management support, and linkages to community services driven by prioritization based on need and availability of funding.
- *Creating Housing Options in Communities for Everyone (CHOICE) Program* – A partnership between Mississippi Home Corporation, Mississippi Department of Mental Health, Mississippi Division of Medicaid, ODHC, Mississippi United to End Homelessness, and Mississippi’s Community Mental Health Centers. CHOICE provides rental assistance, administered by ODHC in the six southern-most counties of Mississippi, to make housing affordable for individuals with serious mental illness.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

General and administrative activities include the functions necessary to provide support to the Organization's program activities. These activities include oversight, business management, recordkeeping, human resource management and similar activities that ensure an adequate working environment and equitable program assistance.

B. Method of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recorded in the period they are incurred. This method allows proper matching of revenues earned during a period with the expenses incurred.

C. Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 958 update 2016-14, ODHC reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes. As of December 31, 2021, no amounts of net assets without donor restrictions were designated by the board for specific operational purposes.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2021, ODHC reported \$804,257 of net assets with donor restrictions.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, ODHC considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 Summary of Significant Accounting Policies (continued)

F. Grants Receivable

Grants receivable consists of various amounts due from ODHC's granting agencies, including federal, state, and local governments. No allowance is provided as these amounts are deemed collectible based on history with the granting agencies.

G. Prepaid Expenses

Prepaid expenses consist of payments made to vendors for services that will benefit periods beyond December 31, 2021. As of December 31, 2021, ODHC reported no prepaid expenses.

H. Furniture and Equipment

Furniture and equipment are presented at cost or donated (appraised) value and are being depreciated by the straight-line method over the useful lives of 5-7 years for furniture and equipment and 39 years for buildings. ODHC's policy is to capitalize furniture and equipment purchases over \$5,000. Depreciation expense is allocated to program and general and administrative expense based on the function of the related asset.

ODHC reviews long-lived assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If these assets are considered impaired, the impairment loss recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

I. Unearned Fees

Unearned fees represent amounts received in advance which are not recognized until the fee income is earned.

J. Compensated Absences

The Organization has no Compensated Absences policy. Therefore, there is no recognition of any future expense of accumulated compensation time for employees.

K. Public Support, Revenues, and Promises to Give

Public support and revenues are received from a broad base of individual and business contributors and are considered to be available for unrestricted use unless specifically restricted by the donor.

L. Promises to give

As of December 31, 2021, ODHC had no promises to give.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

M. In-kind and Non-Cash Contributions

ODHC periodically receives contributions in a form other than cash or investments. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as an expense when the donated items are placed into service or distributed.

Contributed services are professional services that have been donated by someone outside of the entity with specialized skills. No in-kind contributions nor donated services meeting this criterion were recorded for the year ended December 31, 2021.

N. Advertising Costs Accounting Policy

Advertising costs are expensed as incurred. ODHC does not participate in direct-response advertising which requires the capitalization and amortization of related costs.

O. Fair Value of Financial Instruments

ODHC is required to disclose estimated fair values for its financial instruments in accordance with ASC Topic 820 "Fair Value Measurements and Disclosures." Fair value estimates, methods, and assumptions are set forth below for financial instruments.

The carrying amounts of cash, receivables, prepaid expenses, accounts payable, and accrued liabilities approximate the fair values because of the short maturity of those instruments.

P. Income Tax Status and Uncertain Tax Positions

ODHC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that 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 merits 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 (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2021.

ODHC files form 990 on the calendar year-end basis in the U.S. federal jurisdiction and is subject to examination by the Internal Revenue Service generally for three years after the return is filed.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

Q. Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as wither program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs common to multiple functions have been allocated among the various functions benefited.

R. New Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for fiscal years beginning after December 15, 2021.

NOTE 2 – Cash and Cash Equivalents

The carrying amount of ODHC's deposits with financial institutions reported in the financial statements as of December 31, 2021 was \$609,528 and the bank balances at various financial institutions were \$729,109.

Custodial Credit Risk – Deposits: Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, ODHC will not be able to recover deposits or collateral securities that are in possession of an outside party.

The balances in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits above FDIC coverage are considered exposed to custodial credit risk. As of December 31, 2021, \$423,081 of ODHC's bank balances were exposed to custodial credit risk.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 3 – Furniture and Equipment

Furniture and equipment consist of the following at December 31, 2021:

	Balance 12/31/2020	Additions	Adjustments/ Disposals	Balnce 12/31/2021
Depreciable assets:				
Office furniture and equipment	1,465	-	2,469	3,934
Building	-	170,000	-	170,000
Total Depreciable assets	1,465	170,000	2,469	173,934
Accumulated depreciation	(1,465)	(363)	(2,469)	(4,297)
Net Depreciable assets	-	169,637	-	169,637

Depreciation expense for the year ending December 31, 2021 was \$363.

NOTE 4 – Liquidity

The Organization’s financial assets available within one year of the balance sheet date for general and grant expenditures are as follows:

Cash and cash equivalents	\$ 609,528
Grants receivable	885,270
	<u>\$ 1,494,798</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general and grant expenditures, liabilities, and other obligations become due.

NOTE 5 – Operating Lines of Credit

ODHC has two available operating lines of credit through Regions Bank and Woodforest National Bank of \$100,000 and \$50,000, respectively. Both lines of credit are unsecured and bear an interest rate of 5.75%. At December 31, 2021, both lines of credit had a zero balance.

NOTE 6 – Related Party Transactions

The Organization did not have any related party transactions as of December 31, 2021.

NOTE 7 – Global Pandemic

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state, and local authorities resulting in an overall decline in economic activity. The ultimate impact of COVID-19 on the financial performance of the Organization is not estimable at this time.

Open Doors Homeless Coalition
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 8 – Contingencies, Risks, and Uncertainties

ODHC receives grants from various state, federal and local agencies. The supporting programs that use these funds are subject to audit by the granting agencies. No provision for disallowance of expenses charged to a grant has been made as management believes if as a result of an audit by a granting agency the disallowance would be immaterial.

Additional concentrations exist in the market or geographic area of grantors and contributors. This concentration makes the Organization vulnerable to competition for limited sources of funding and fundraising in the community.

NOTE 9 – Economic Dependence

For the year ended December 31, 2021, grant and contract funding comprised 99% of all revenues, gains, and other support for ODHC. Of this amount, 72% was received from Harrison County, Mississippi for the administration and case management of Harrison County's Emergency Rental Assistance Program. 19% was received from grants through the United States Department of Housing and Urban Development, whether received directly or indirectly through pass-through entities.

NOTE 10 – Comparative Totals

Comparative columns for 2020 on the financial statements are presented only to facilitate financial analysis and do not present the minimum information required by generally accepted accounting principles. Certain amounts may have been reclassified in prior year amounts however, these changes have no effect of the results of operations in the prior year.

NOTE 11 – Subsequent Events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes.

Management of the Organization evaluated the activity of the Organization through September 23, 2022 (the date the financial statements were available to be issued) and determined that no significant events have occurred requiring disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

Open Doors Homeless Coalition
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

<u>Federal Grantor/ Passed-through Grantor/ Program Title or Cluster</u>	Federal CFDA Number	Grant No. / Pass-Through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the City of Biloxi</i>			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	45,555
			<u>45,555</u>
<i>Passed through the City of Gulfport</i>			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	52,083
			<u>52,083</u>
<i>Passed through the City of Pascagoula</i>			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	21,872
			<u>21,872</u>
<i>Passed through the Mississippi Home Corporation</i>			
COVID-19 - Emergency Solutions Grant Program	14.231	2019-ESGCV-ODHC-20	1,128,706
	14.231	1720-ESG-ODHC-20	220,105
			<u>1,348,811</u>
Housing Opportunities for Persons with AIDS	14.241	ODHC/SMATF-16/17-HOPWA	137,606
			<u>137,606</u>
Continuum of Care Program	14.267	MS0019L4G031912	36,341
	14.267	MS0115L4G031900	26,095
	14.267	MS0086L4G031903	46,881
	14.267	MS0128L4G032000	25,180
	14.267	MS0086L4G032004	38,808
	14.267	MS0019L4G032013	42,807
			<u>216,112</u>
Youth Homelessness Demonstration Program	14.276	MS0121Y4G031800	207,225
	14.276	MS0120Y4G031800	140,159
			<u>347,384</u>
Total U.S. Department of Housing and Urban Development			<u>2,049,913</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the United Way</i>			
COVID-19 - Emergency Food and Shelter National Board Program	97.024	N/A	14,671
Total U.S. Department of Homeland Security			<u>14,671</u>
Total Expenditures of Federal Awards			<u>\$ 2,184,094</u>

Notes to the Schedule:

Note 1 – Basis of Presentation

This schedule includes the federal award activity of Open Doors Homeless Coalition under programs of the federal government of the year ended December 31, 2021. 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 Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents on a selected portion of the operations of Open Doors Homeless Coalition, it is not intended to and does not present the financial position, or changes in net assets of Open Doors Homeless Coalition.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on same basis of accounting and significant accounting policies, as applicable, used for the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

Open Doors Homeless Coalition has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Subrecipients - No awards were passed through to subrecipients.

SPECIAL REPORTS

WRIGHT, WARD, HATTEN & GUEL

PROFESSIONAL LIMITED LIABILITY COMPANY

(SUCCESSORS TO A. L. EVANS & COMPANY ESTABLISHED 1929)

Certified Public Accountants

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

To the Board of Directors
Open Doors Homeless Coalition

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Open Doors Homeless Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Open Doors Homeless Coalition's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Open Doors Homeless Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Open Doors Homeless Coalition'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 entity'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.

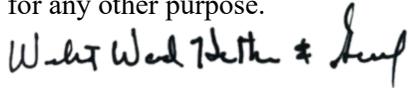
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Open Doors Homeless Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.



Gulfport, Mississippi
September 23, 2022

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

To the Board of Directors
Open Doors Homeless Coalition

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Open Doors Homeless Coalition's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Open Doors Homeless Coalition's major federal programs for the year ended December 31, 2021. Open Doors Homeless Coalition's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Open Doors Homeless Coalition complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Open Doors Homeless Coalition'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 Open Doors Homeless Coalition'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 Open Doors Homeless Coalition'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 Open Doors Homeless Coalition'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 Open Doors Homeless Coalition'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.

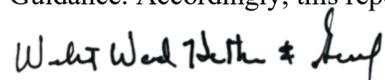
Report on Internal Control over Compliance

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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 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.


Gulfport, Mississippi
September 23, 2022

Open Doors Homeless Coalition Schedule of
Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

1.	Type of auditor's report issued on the financial statements:	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified that are not considered to be material weaknesses?	No
3.	Noncompliance material to the financial statements noted?	No

Federal Awards:

4.	Type of auditor's report issued on compliance for major programs:	Unmodified
5.	Internal control over major programs:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified that are not considered to be material weaknesses?	No
6.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
7.	Federal programs identified as major:	
	<u>CFDA Number(s)</u> <u>Name of Federal Program or Cluster</u>	
	14.231 U.S. Department of Housing and Urban Development/COVID-19 - Emergency Solutions Grant Program	
8.	Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
9.	Auditee qualified as low-risk auditee?	No
10.	Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.526(b)?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The results of our tests did not disclose any findings and questioned costs related to federal awards.