

Opportunity Enterprises, Inc.
Financial Statements with Accompanying Information
Years Ended June 30, 2022 and 2021
And
Independent Auditor's Report

Opportunity Enterprises, Inc.

June 30, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors of
Opportunity Enterprises, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Opportunity Enterprises, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of operations, 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 Opportunity Enterprises, Inc. as of June 30, 2022 and 2021, and the changes in its net assets, functional expenses 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Opportunity Enterprises, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Opportunity Enterprises, Inc.'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 risk 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 Opportunity Enterprises, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Opportunity Enterprises, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
Opportunity Enterprises, Inc.

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, and state and local 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* and the *Indiana State Board of Accounts Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, respectively, are presented for purposes of additional analysis and are 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, and state and local awards are 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 26, 2022, on our consideration of Opportunity Enterprises, Inc.'s internal control over financial reporting and 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 Opportunity Enterprises, Inc.'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 Opportunity Enterprises, Inc.'s internal control over financial reporting and compliance.

Indianapolis, Indiana
October 26, 2022

A handwritten signature in black ink that reads "Randy Associates". The signature is written in a cursive, flowing style.

Opportunity Enterprises, Inc.
Statements of Financial Position
June 30, 2022 and 2021

Assets

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 2,799,202	\$ 3,804,680
Investments	1,117,527	113,275
Medicaid accounts receivable	882,146	968,619
Government services receivable	474,631	294,970
Accounts receivable	407,989	181,194
Pledges receivable	239,872	262,996
Other receivables	170,276	248,786
Inventory	40,021	40,176
Prepaid expenses	<u>575,368</u>	<u>544,980</u>
Total current assets	<u>6,707,032</u>	<u>6,459,676</u>
Long-term pledges receivable	<u>489,300</u>	<u>254,784</u>
Assets whose use is limited:		
Board designated funds	1,178,348	560,000
Capital contributions with donor restrictions	<u>3,058,171</u>	<u>1,297,384</u>
Total assets whose use is limited	<u>4,236,519</u>	<u>1,857,384</u>
Property and equipment	18,619,380	18,522,987
Accumulated depreciation	<u>(12,252,147)</u>	<u>(11,967,447)</u>
Total property and equipment	<u>6,367,233</u>	<u>6,555,540</u>
Funds held by Community Foundation	<u>2,313,516</u>	<u>2,845,940</u>
Total assets	<u><u>\$ 20,113,600</u></u>	<u><u>\$ 17,973,324</u></u>

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

Liabilities and Net Assets

	2022	2021
Current liabilities:		
Current maturities of long-term debt	\$ 143,130	\$ 245,085
Accounts payable and other accrued liabilities	757,409	598,277
Accrued wages and benefits	1,252,384	1,179,586
Third party adjustments	44,402	44,402
Deferred revenue	585,216	200,709
Total current liabilities	2,782,541	2,268,059
Long-term liabilities		
Long-term debt, less current maturities	1,401,319	1,544,424
Deferred revenue	73,838	121,526
Total long-term liabilities	1,475,157	1,665,950
Total liabilities	4,257,698	3,934,009
Net assets:		
Without donor restrictions	11,161,739	10,858,906
With donor restrictions	4,694,163	3,180,409
Total net assets	15,855,902	14,039,315
Total liabilities and net assets	\$ 20,113,600	\$ 17,973,324

Opportunity Enterprises, Inc.
Statements of Operations
Years Ended June 30, 2022 and 2021

	2022	2021
Public support:		
Federal transportation funds	\$ 196,226	\$ 476,260
Federal provider relief funds	555,512	954,284
County funds	775,000	775,000
United Way funds	42,586	40,888
Other grants	319,654	289,095
Contributions	1,876,350	1,151,160
Pass thru revenue	1,172,272	945,088
Total public support	4,937,600	4,631,775
Service revenue:		
Program services	13,232,202	12,193,549
Contract services	1,847,129	1,344,359
Total service revenue	15,079,331	13,537,908
Net assets released from donor restrictions	273,241	30,440
Total revenue	20,290,172	18,200,123
Operating expenses:		
Program services	16,663,802	15,478,494
Supporting services – management and general	3,055,977	2,882,665
Supporting services – fundraising	653,012	525,633
Total operating expenses	20,372,791	18,886,792
Excess total revenue over operating expenses	(82,619)	(686,669)
Other income:		
Retail sales	350,926	315,538
Rent income	133,482	134,827
In-kind contributions	184,944	-
Investment and miscellaneous income	43,475	128,068
Gain on sale of assets	-	2,409
Total other income	712,827	580,842
Excess total revenue and other income over operating expenses	630,208	(105,827)
Gain on extinguishment of debt	-	2,424,400
Excess total of revenue, other income, and gain on extinguishment of debt over total expenses	\$ 630,208	\$ 2,318,573

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

Opportunity Enterprises, Inc.
Statements of Changes in Net Assets
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Change in net assets without donor restrictions:		
Excess total revenue, other income, and gain on extinguishment of debt over total expenses	\$ 630,208	\$ 2,318,573
Net unrealized gains on other than trading securities	<u>(327,376)</u>	<u>752,550</u>
Change in net assets without donor restrictions	<u>302,832</u>	<u>3,071,123</u>
Change in net assets with donor restrictions:		
Restricted contributions	1,774,607	354,950
Net assets released from donor restriction	(273,241)	(30,440)
Endowment fund support	<u>12,389</u>	<u>29,010</u>
Change in net assets with donor restrictions	<u>1,513,755</u>	<u>353,520</u>
Change in total net assets	1,816,587	3,424,643
Net assets, beginning of year	<u>14,039,315</u>	<u>10,614,672</u>
Net assets, end of year	<u><u>\$ 15,855,902</u></u>	<u><u>\$ 14,039,315</u></u>

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

Opportunity Enterprises, Inc.
Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022				2021			
	Supporting Services			Total	Supporting Services			Total
	Program Services	Management and General	Fundraising		Program Services	Management and General	Fundraising	
Salaries and benefits	\$ 12,897,136	\$ 1,305,045	\$ 450,432	\$ 14,652,613	\$ 12,212,643	\$ 1,226,214	\$ 396,530	\$ 13,835,387
Contracted services	182,928	140,076	8,524	331,528	180,369	164,676	3,750	348,795
Supplies	585,944	292,787	13,085	891,816	517,419	273,031	4,678	795,128
Occupancy	343,204	526,898	5,257	875,359	323,480	527,340	5,619	856,439
Equipment	63,524	62,782	1,272	127,578	83,491	66,440	1,136	151,067
Printing	16,469	2,195	13,971	32,635	4,435	1,018	11,983	17,436
Vehicle operations	656,509	5,175	851	662,535	490,751	762	181	491,694
Conferences	15,430	10,555	3,103	29,088	15,696	2,590	404	18,690
Other	315,303	151,570	155,962	622,835	278,470	60,507	100,977	439,954
Advertising	14,069	5,090	-	19,159	8,467	-	118	8,585
Interest	5,138	65,534	-	70,672	10,287	69,497	-	79,784
Depreciation	395,876	488,270	555	884,701	407,898	490,590	257	898,745
Pass thru expense	1,172,272	-	-	1,172,272	945,088	-	-	945,088
Total expenses	<u>\$ 16,663,802</u>	<u>\$ 3,055,977</u>	<u>\$ 653,012</u>	<u>\$ 20,372,791</u>	<u>\$ 15,478,494</u>	<u>\$ 2,882,665</u>	<u>\$ 525,633</u>	<u>\$ 18,886,792</u>

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

Opportunity Enterprises, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in total net assets	\$ 1,816,587	\$ 3,424,643
Adjustments to reconcile change in total net assets to cash flows from operating activities:		
Depreciation	884,701	898,745
(Gain) on sale of assets	-	(2,409)
Net unrealized (gains) on other than trading securities	327,376	(752,550)
Extinguishment of long-term debt	-	(2,424,400)
Changes in assets and liabilities:		
Medicaid accounts receivable	86,473	(241,165)
Government services receivable	(179,661)	(42,128)
Accounts receivable	(226,795)	(30,896)
Pledges receivable	(211,392)	(117,780)
Other receivables	78,510	251,419
Inventory	155	16,919
Prepaid expenses	(30,388)	(49,976)
Board designated funds	(618,348)	(300,000)
Capital contributions with donor restrictions	(1,760,787)	(30,238)
Accounts payable and other accrued liabilities	159,132	(144,030)
Accrued wages and benefits	72,798	56,354
Deferred revenue	336,819	(86,491)
	<u>735,180</u>	<u>426,017</u>
Cash flows from operating activities		
	<u>735,180</u>	<u>426,017</u>
Cash flows from investing activities:		
Sale / purchase of investments	(1,004,252)	(1,674)
Proceeds from sale of assets	-	2,409
Purchase of property and equipment	(696,394)	(890,944)
Change in funds held by Community Foundation	205,048	(38,571)
	<u>(1,495,598)</u>	<u>(928,780)</u>
Cash flows from investing activities		
	<u>(1,495,598)</u>	<u>(928,780)</u>

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

Opportunity Enterprises, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	-	55,275
Principal payments on long-term debt	<u>(245,060)</u>	<u>(139,852)</u>
Cash flows from financing activities	<u>(245,060)</u>	<u>(84,577)</u>
 Change in cash	 (1,005,478)	 (587,340)
Cash, beginning of year	<u>3,804,680</u>	<u>4,392,020</u>
Cash, end of year	<u>\$ 2,799,202</u>	<u>\$ 3,804,680</u>
 Non-cash operating activities:		
Extinguishment of long-term debt	<u>\$ -</u>	<u>\$ 2,424,400</u>
 Supplemental disclosures of cash flow information		
Cash paid during the year for interest	<u>\$ 70,672</u>	<u>\$ 79,784</u>

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

Opportunity Enterprises, Inc.
Notes to Financial Statements

1 - Organization

Opportunity Enterprises, Inc. (the Agency) is incorporated as a not-for-profit organization, under the laws of the State of Indiana. The primary purpose of the Agency is to provide a full range of services to the mentally and physically disabled. The Agency provides vocational training, counseling, transportation, evaluation, and residential services to clients in Porter and Lake Counties, Indiana.

2 - Summary of Significant Accounting Policies

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. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of cash on hand and monies held in various checking accounts. The Agency maintains these funds with banks which, at times, may exceed federally insured limits. The Agency has not experienced any losses in these accounts, and the Agency believes it is not exposed to any significant credit risk on cash.

Investments

Investments typically include funds held in certificates of deposit, which are recorded at fair value. Given the current economic environment and the volatility of the financial markets, it is possible there could be material differences in the value of these investments subsequent to the year ended June 30, 2022.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based upon management's assessment of the credit history with customers having outstanding balances on current relationships, it has concluded that realization losses on these balances outstanding at year-end will be immaterial.

Accounts receivable can be affected by the effectiveness of the Agency's collection efforts, as well as by any significant changes in payor mix, composition of the Agency's program services, the economic environment, or trends in federal and state governmental healthcare coverage.

Inventory

Inventory is determined by physical count, is priced at cost (weighted average method), and is not in excess of market value.

2 - Summary of Significant Accounting Policies (Continued)

Assets Whose Use is Limited

Assets whose use is limited includes board designated and donor restricted capital contributions held in the Agency's checking account related to the Agency's fundraising campaign. The purpose of the campaign is to raise funds to construct a new respite building.

Property and Equipment

Property and equipment are stated at cost, or for donations, at fair market value at the date of donation, and include expenditures for new additions and repairs that substantially increase the useful lives of existing property and equipment. Governmental units funding property and equipment through grants retain a security interest over various periods. Maintenance, repairs, and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss on disposition is credited to or charged against operations for the period.

Depreciation, computed using the straight-line method, is provided by annual charges to expense over estimated useful lives as follows:

Land improvements	3 - 20 years
Buildings and improvements	3 - 27 years
Equipment	2 - 15 years
Vehicles	3 - 20 years

Deferred Revenue

Amounts received from governmental units under certain grant contracts designated for the purchase of vehicles and equipment are recorded as deferred revenue and are amortized over 48 to 60 months, which reflects the estimated useful lives of the assets purchased. For other grants and contributions, the Agency receives certain funds prior to incurring the related expenses, and as such, these funds are recorded as deferred revenue until the related expenses are incurred. The current portion of deferred revenue is the amount expected to be amortized in the next fiscal year.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of funds from a capital campaign, donor restricted deferred revenue, and endowment fund investments. The campaign contributions and deferred revenue are recognized as funds are spent.

2 - Summary of Significant Accounting Policies (Continued)

Public Support

The Agency receives grant awards from various state and federal agencies for the purchase and maintenance of vehicles that are used to provide a wide variety of rehabilitation services to the developmentally disabled. The Agency generally vouchers these grantor agencies quarterly based on recent maintenance activity, as well as the original amount of the grant agreements. The grant agreements are subject to various compliance requirements, and the Agency believes it is in full compliance with these requirements.

The Agency also receives funds from Porter County and the United Way. These amounts are recognized as revenue on the accrual basis. Pledges received by outside parties that are legally enforceable and deemed collectable are recognized as revenue in the period the pledge is made.

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions support that increase that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Agency reports the support as without donor restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. In the absence of donor stipulations regarding how the contributed assets must be used, the Agency has adopted a policy of recognizing the contribution upon receipt. As such, contributions of property and equipment and contributions of assets used to acquire property and equipment are recorded as unrestricted support.

Pledges

Pledges are recognized at fair value when an unconditional promise to give is received. Pledges received with donor restrictions that limit the use of the donated assets are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for which the donated assets were restricted is fulfilled, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities 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, are not recognized until the conditions on which they depend have been met.

2 - Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

In addition to receiving cash contributions, the Agency receives in-kind contributions from various donors. It is the policy of the Agency to record the estimated fair market value of certain in-kind contributions that exceed \$500 as an expense or capitalized asset in its financial statements and similarly increase donations by a like amount. In-kind contributions related to architectural fees for the Respite building of \$184,944 and \$0, respectively, have been recorded for the years ended June 30, 2022 and 2021.

Service Revenue

Revenue is recognized at a point in time when the Agency's performance obligations are satisfied, which takes place as services are performed. The transaction prices are determined via agreements with state agencies, statewide hourly or daily rates utilized by Medicaid waiver programs, and prospective per diem rates published by the Medicaid program.

The Agency contracts with various state agencies to provide a wide variety of services to persons with disabilities. The Agency vouchers the agencies monthly based on current activity and the original amount of the contract. These vouchers and contracts are subject to periodic audit by the State. No estimated settlements have been recorded for periods not audited by the State, as such adjustments, if any, cannot reasonably be determined.

The Agency provides services to individuals on the Community Integration and Habilitation (CIH) and Family Support Waivers (FSW). The services are provided at statewide hourly or daily rates in accordance with an approved budget. There is a three-month authorization period in which an individual can receive services up to limitations within their budgets.

Services provided under the Medicaid waiver programs are subject to periodic audit. The Agency's Medicaid waiver programs have not been audited in several years. No estimated settlements have been recorded for periods not audited, as such adjustments, if any, cannot reasonably be determined.

Residential services rendered to Medicaid program beneficiaries in group homes are paid at prospectively determined per diem rates. The Agency submits annual cost reports to determine its Medicaid rates for group homes. These reports, as well as individual claims for services rendered, are subject to periodic audit by the Medicaid Audit Contractor.

At June 30, 2022, group home Medicaid cost reports have been audited through fiscal year 2018, and appropriate estimated settlements are accrued. No estimated settlements have been recorded for periods not audited by the Medicaid Audit Contractor, as such adjustments, if any, cannot reasonably be determined.

Opportunity Enterprises, Inc.
Notes to Financial Statements

2 - Summary of Significant Accounting Policies (Continued)

Service Revenue (Continued)

The rates that Medicaid pays for services are subject to periodic review by both state administrative and legislative processes. The potential magnitude of future changes to these programs, as well as Medicaid rate increases or reductions, is not estimable but may be material. If changes such as Medicaid rate reductions or failures of programs to increase rates to match increasing costs occur, the Agency's revenues may be negatively impacted.

Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Agency believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations, as well as significant regulatory action including fines, penalties, and exclusion from the Medicaid program.

Revenue from Medicaid programs accounted for approximately 77% and 71% of the Agency's total service revenue for the years ended June 30, 2022 and 2021, respectively.

Federal and State Income Taxes

The Agency has been granted exemption from taxation as a not-for-profit organization under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no expense has been recognized for income taxes in the accompanying financial statements.

Performance Indicator

The performance indicator is the excess total revenue and other income over operating expenses. Changes in net assets without donor restrictions that are excluded from the performance indicator include net unrealized gains on other than trading securities and gain on extinguishment of debt.

Reclassification

Certain 2021 balances have been reclassified to agree with the 2022 presentation.

3 - Cash

At June 30, 2022 and 2021, respectively, cash in the amount of \$95,111 and \$141,389 has been restricted by donors for use related to various grants received by the Agency.

Opportunity Enterprises, Inc.
Notes to Financial Statements

4 - Investments

The cost and fair market value of marketable securities recorded as investments on the statements of financial position at June 30, 2022 and 2021 are as follows:

<u>June 30, 2022</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Certificates of Deposit	\$1,117,527	\$ -	\$ -	\$1,117,527
	<u>\$1,117,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,117,527</u>
<u>June 30, 2021</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Certificates of Deposit	\$113,275	\$ -	\$ -	\$113,275
	<u>\$113,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$113,275</u>

5 - Liquidity and Availability of Financial Assets

As of June 30, 2022, and 2021, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, principal payments on debt, and capital expenditures not financed with debt, are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$2,799,202	\$ 3,804,680
Investments	1,117,527	113,275
Medicaid accounts receivable	882,146	968,619
Government services receivable	474,631	294,970
Accounts receivable	407,989	181,194
Pledges receivable	239,872	262,996
Other receivables	<u>170,276</u>	<u>248,786</u>
Financial assets available within one year	6,091,643	5,874,520
Liquidity resources:		
Unused line of credit	<u>2,500,000</u>	<u>2,500,000</u>
Total financial assets and liquidity resources available within one year	<u>\$8,591,643</u>	<u>\$ 8,374,520</u>

Opportunity Enterprises, Inc.
Notes to Financial Statements

5 - Liquidity and Availability of Financial Assets (Continued)

As part of the Agency's liquidity management, the Agency invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

6 - Pledges Receivable

The Agency is a recipient of unconditional promises to give. As of June 30, 2022, the amounts of these pledges receivable are as follows:

	<u>2022</u>
Pledges receivable:	
In less than one year	\$239,872
In one to five years	489,300
In more than five years	<u>-</u>
Total pledges receivable	<u><u>\$729,172</u></u>

7 - Property and Equipment

Property and equipment consist of the following at June 30, 2022:

	<u>2022</u>
Land	\$ 1,130,416
Land improvements	966,500
Buildings and improvements	12,386,449
Equipment	2,006,139
Vehicles	<u>1,709,931</u>
Total property and equipment	18,199,435
Accumulated depreciation	<u>(12,252,147)</u>
	5,947,288
Construction in progress	<u>419,945</u>
Total fixed assets	<u><u>\$ 6,367,233</u></u>

Depreciation expense is \$884,701 and \$898,745 for the years ended June 30, 2022 and 2021, respectively. At June 30, 2022, the estimated cost to complete construction in progress is approximately \$6,700,000.

Opportunity Enterprises, Inc.
Notes to Financial Statements

8 - Funds Held by Community Foundation

The cost and fair value of the Agency's funds held by Community Foundation for years ended June 30 include:

June 30, 2022			
	Cost	Gross Unrealized Gain	Fair Value
Pooled Investment Fund	<u>\$1,163,453</u>	<u>\$1,150,063</u>	<u>\$2,313,516</u>
June 30, 2021			
	Cost	Gross Unrealized Gain	Fair Value
Pooled Investment Fund	<u>\$1,365,006</u>	<u>\$1,480,934</u>	<u>\$2,845,940</u>

The Agency's board of directors has delegated the stewardship of investing and managing these funds to Porter County Community Foundation (PCCF). The funds held by PCCF consist of donor-restricted funds to be held indefinitely. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Contributions to the endowment fund are classified as net assets with donor restrictions, the income from which is unrestricted.

Spending and Distribution Policy

PCCF's primary investment objective is to provide a stable source of funds to charities that keeps pace with inflation. The secondary objective is to achieve some level of growth in the market value of assets, net of inflation, spending, and expenses.

PCCF's investment minimum return goal is stated in a formula by setting the nominal net of fee internal rate of return minus the consumer price index equal to the spending rate (five percent) plus the average administrative fee (one percent). The target minimum return is based on a trailing twenty quarter annualized calculation.

PCCF's policy is to make available for distribution five percent of the fund's fair market value rolling average for the previous twenty quarters, as calculated on December 31st of each year. However, PCCF is not required to distribute the maximum amount calculated as available under this policy.

8 - Funds Held by Community Foundation (Continued)

Asset Allocation Policy

As the funds are expected to endure into perpetuity, and because inflation is a key component to the fund objective, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As such, the majority of assets are invested in equity or equity-like securities. Fixed income securities are also used as a means to lower short-term volatility and to provide income stability. Cash is a residual to the investment process and is used to meet short-term liquidity needs. Other asset classes are included to provide diversification (e.g. international equities, real estate, and commodities) and incremental return (e.g. small cap equities). The following chart details the target and acceptable ranges for asset allocation:

Asset Class	Target	Rebalancing Range
I. Safety Assets	<u>1.00%</u>	0.7% - 1.3%
II. Income Assets		
Domestic Bonds:		
Short Term Maturities (1-5 years)	4.00%	2.8% - 5.2%
Intermediate Term Maturities (5-10 years)	4.25%	3.0% - 5.5%
Long Term Maturities (10+ years)	4.25%	3.0% - 5.5%
Inflation Protected Bonds	4.00%	2.8% - 5.2%
International Bonds	5.50%	3.9% - 7.2%
Total Income Assets	<u>22.00%</u>	
III. Growth Assets		
Large Cap U.S. Stocks – Value	17.00%	11.9% - 22.1%
Large Cap U.S. Stocks – Growth	11.00%	7.7% - 14.3%
International Stocks – Value	9.00%	6.3% - 11.7%
International Stocks – Growth	6.00%	4.2% - 7.8%
Growth Real Estate	7.00%	4.9% - 9.1%
Total Growth Assets	<u>50.00%</u>	
IV. Aggressive Assets		
Small Cap U.S. Stocks – Value	11.00%	7.7% - 14.3%
Small Cap U.S. Stocks – Growth	5.00%	3.5% - 6.5%
International Small Cap	3.00%	2.1% - 3.9%
Energy/Natural Resources	8.00%	5.6% - 10.4%
Total Aggressive Assets	<u>27.00%</u>	
Total	<u><u>100.00%</u></u>	

Opportunity Enterprises, Inc.
Notes to Financial Statements

8 - Funds Held by Community Foundation (Continued)

Changes in Funds Held by Community Foundation

The following details the changes in endowment net assets for the years ended June 30:

	2022	2021
Endowment net assets, beginning of year	\$2,845,940	\$2,054,819
Net earnings, realized and unrealized	(330,870)	762,111
Distributions	(213,943)	-
Contributions	12,389	29,010
Endowment net assets, end of year	<u>\$2,313,516</u>	<u>\$2,845,940</u>

Given the current economic environment and the volatility of the financial markets, it is possible there could be material differences in the value of these investments subsequent to the year ended June 30, 2022.

9 - Fair Value Measurements

FASB Codification 820-10, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are observable inputs other than those in Level 1; and Level 3 inputs are unobservable inputs and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. No Level 3 inputs were used, as the Agency was able to measure fair value using Level 1 inputs, which generally provide the most reliable evidence of fair value, along with Level 2 inputs.

Level 1 Fair Value Measurements

The fair value of the long-term investments held by PCCF is based on quoted net asset values of the shares held at June 30, 2022.

Level 2 Fair Value Measurements

The fair value of the certificates of deposit included in investments is based on quoted prices for similar assets and is corroborated by the banks holding the certificates.

Level 3 Fair Value Measurements

There are no Agency assets requiring the use of Level 3 inputs for the years presented.

Opportunity Enterprises, Inc.
Notes to Financial Statements

9 - Fair Value Measurements (Continued)

The fair value measurements and levels within fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30 are as follows:

	Fair Value	Level 1 – Quoted Prices In Active Markets For Identical Assets	Level 2 – Significant Other Observable Inputs	Level 3 - Significant Other Unobservable Inputs
June 30, 2022				
Funds held by PCCF Certificates of Deposit	\$2,313,516 1,117,527	\$2,313,516 -	\$ - 1,117,527	\$ - -
	<u>\$3,431,043</u>	<u>\$2,313,516</u>	<u>\$1,117,527</u>	<u>\$ -</u>
	Fair Value	Level 1 – Quoted Prices In Active Markets For Identical Assets	Level 2 – Significant Other Observable Inputs	Level 3 - Significant Other Unobservable Inputs
June 30, 2021				
Funds held by PCCF Certificates of Deposit	\$2,845,940 113,275	\$2,845,940 -	\$ - 113,275	\$ - -
	<u>\$2,959,215</u>	<u>\$2,845,940</u>	<u>\$113,275</u>	<u>\$ -</u>

10 - Retirement Plan

The Agency maintains a 401(k) plan in which the Agency pays a match of employee contributions. During the years ended June 30, 2022 and 2021, total employee match contributions are \$225,940 and \$199,049, respectively. All contributions are funded from operations.

11 - Self-Insured Workers' Compensation

The Agency's workers' compensation coverage is provided under a self-insured policy. Additionally, an independent third party has been retained to process all claims. Under this plan, the Agency has a claim-specific stop-loss and an aggregate stop-loss of \$100,000 and \$1,000,000, respectively. Amounts in excess of the claim-specific stop-loss and the aggregate stop-loss are covered through a commercial stop-loss policy. The Agency estimates a liability of \$59,693 for incurred but unresolved workers' compensation claims as of June 30, 2022, and the liability is included in accrued wages and benefits on the statements of financial position. In addition, the Agency has an approved letter of credit of \$500,000 as required by the State of Indiana as the Agency is self-insured for workers' compensation insurance.

Opportunity Enterprises, Inc.
Notes to Financial Statements

12 - Self-Insured Health Plan

The Agency maintains a self-insured health plan for which a third party claims administrator has been retained to process all benefit claims. Claims are processed and presented for payment on a weekly basis. Under the plan, the Agency has a claim-specific deductible of \$75,000 or aggregate coverage where the deductible is 125% of expected claims. If deductibles exceed these amounts, the Agency is reimbursed by the insurance company up to \$1,000,000 per policy period. As of June 30, 2022, the Agency estimates a liability of \$228,486 for incurred but unresolved health insurance claims and the liability is included in accrued wages and benefits on the statements of financial position. In addition, as of June 30, 2022, the receivable due from the Agency's insurer for health insurance claims paid in excess of deductibles is \$0.

13 - Long-Term Debt

Long-term debt consists of the following at June 30, 2022:

	<u>2022</u>
Note payable – 3.25% fixed annual interest rate through March 2017 and a variable interest rate thereafter; monthly payments of \$12,732, including interest; due March 2034; collateralized by real estate and other assets	\$1,469,441
Note payable – 4.125% fixed annual interest rate; monthly payments of \$1,023, including interest; due October 2025; collateralized by real estate and other assets	38,103
Note payable – 4.875% fixed annual interest rate; monthly payments of \$2,922, including interest; due July 2023; collateralized by real estate and other assets	<u>36,905</u>
Long-term debt	1,544,449
Current maturities	<u>(143,130)</u>
Long-term debt, less current maturities	<u><u>\$1,401,319</u></u>

The Agency's loans are subject to certain covenants and terms relative to operating performance and other matters.

Opportunity Enterprises, Inc.
Notes to Financial Statements

13 - Long-Term Debt (Continued)

Maturities of long-term debt are as follows for the years ending June 30:

2023	\$ 143,130
2024	116,647
2025	118,880
2026	115,809
2027	116,666
Thereafter	<u>933,317</u>
	<u>\$1,544,449</u>

14 - Line of Credit

The Agency has an approved line of credit of \$2,500,000, which expires in January 2023. The agreement is secured by all assets and deposit accounts of the Agency and is subject to variable interest rates equal to the Prime rate. No balance is outstanding for the year ended June 30, 2022 in relation to this agreement. Given the current economic situation and changes in the banking environment, there can be no assurances that lines of credit will continue to be available to the Agency. If unavailable, this could have a material adverse effect on the Agency's financial condition, results of operations, and liquidity.

15 - Commitments

The Agency leases office space, equipment, and vehicles under non-cancelable lease arrangements. Rent and lease expenses for the years ended June 30, 2022 and 2021 are \$220,700 and \$187,831, respectively. Future minimum lease payments under operating leases for the years ending June 30 are as follows:

2023	\$179,605
2024	146,391
2025	124,456
2026	108,015
2027	<u>40,426</u>
	<u>\$598,893</u>

Opportunity Enterprises, Inc.

Notes to Financial Statements

16 - Concentration of Credit Risks

The Agency is located in Valparaiso, Indiana and provides services to individuals and companies, which are billed in arrears at least monthly. The majority of individual services are provided under service contracts or provider agreements with state agencies. Companies are provided credit in the normal course of business without collateral. Receivables by payor are as follows at June 30:

	<u>2022</u>	<u>2021</u>
Medicaid	50%	67%
Division of Aging and Rehabilitative Services	27	20
Contracted	<u>23</u>	<u>13</u>
	<u>100%</u>	<u>100%</u>

17 - Functional Expenses

Expenses related to the Agency's management and operations are presented in the statements of functional expenses to define expenditures for program services, management and general, or fundraising. The program expenses are directly related to residential services, employment services, day services, transportation services, enrichment and other services. Management and general expenses are related to corporate management and oversight of the Agency.

18 - Healthcare Industry

The Agency must comply with the applicable laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, governmental healthcare program participation requirements, reimbursement for patient services, fraud and abuse, elderly abuse, federal and state false claims acts, and laws governing quality of care issues. A finding of non-compliance with any of these governing laws or regulations in any such lawsuit, regulatory proceeding, or investigation could subject the Agency to fines, penalties, and damages, and could also have a material adverse impact on the Agency's financial condition, results of operations, and liquidity. There can be no assurance that, in the future, the Agency will be able to maintain such licenses and certifications for its facilities or that the Agency will not be required to expend significant funds in order to comply with regulatory requirements.

Opportunity Enterprises, Inc.
Notes to Financial Statements

19 - Risk Management

The Agency maintains general and professional liability insurance, designed to cover potential losses resulting from litigation; however, some claims may not be covered by this insurance. General and professional liability coverage is provided on an occurrence basis. The policy provides coverage limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. There is no self-insured retention as part of the policy. In addition, the Agency procures excess coverage limits in the amount of \$5,000,000. Based on insurance coverage in effect during the period, management of the Agency is not aware of any pending litigation or unasserted claims that would result in significant losses. However, due to the nature of the healthcare industry, at any point in time, the Agency may become subject to professional liability claims and lawsuits, some of which may not be covered by this insurance.

20 - Subsequent Events

Subsequent events have been evaluated through October 26, 2022, which is the date the financial statements were available to be issued.

Accompanying Information

Opportunity Enterprises, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
<i>U.S. Department of Health and Human Services:</i>			
COVID-19 Provider Relief Fund and American Rescue Plan Rural Distribution – Period 2 – Major Program	93.498		\$ 954,284
<i>Department of Transportation:</i>			
Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507		<u>196,226</u>
Total federal awards			<u><u>\$1,150,510</u></u>

The accompanying notes following the schedule expenditures of federal awards are an integral part of this financial statement.

Opportunity Enterprises, Inc.
Schedule of Expenditures of State and Local Awards
Year Ended June 30, 2022

<u>Grantor</u>	<u>Revenues</u>	<u>Expenditures</u>
Porter County funds	\$775,000	\$775,000
Porter County United Way funds	<u>42,586</u>	<u>42,586</u>
Total state and local funds included in public support	<u><u>\$817,586</u></u>	<u><u>\$817,586</u></u>

The accompanying notes following the schedule of expenditures of state and local awards are an integral part of this financial statement.

Opportunity Enterprises, Inc.

Notes to the Schedules of Expenditures of Federal and State and Local Awards

Year Ended June 30, 2022

1 - Basis of Presentation

The accompanying schedules of expenditures of federal and state and local awards (the Schedules) include the grant activity of Opportunity Enterprises, Inc. (the Agency) under programs of federal, state, and local governments for the year ended June 30, 2022. The information in the Schedules 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), as well as the *Indiana State Board of Accounts Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*. Because the Schedules present only a select portion of the operations of the Agency, it is not intended to and does not present the financial position, results of operations, changes in net assets, or cash flows of the Agency.

2 - Summary of Significant Accounting Policies

Expenditures

With the exception of the expenditures discussed in Note 4, expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations* or the *Indiana State Board of Accounts Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 - Indirect Cost Rate

The Agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4 - COVID-19 Provider Relief Fund (Assistance Listing No. 93.498)

The Schedules include \$954,284 received from HHS between July 1, 2020 and December 31, 2020, under the Provider Relief Fund (PRF) program for Assistance Listing No. 93.498. In accordance with guidance from HHS, these amounts are presented as Period 2 in the HHS PRF Reporting Portal. Due to the PRF Reporting requirements, this amount is not the total PRF received and/or recognized for the year ended June 30, 2022.

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 of
Opportunity Enterprises, Inc.
Valparaiso, Indiana

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 Opportunity Enterprises, Inc. (the Agency; a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of operations, 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 26, 2022.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

Board of Directors
Opportunity Enterprises, Inc.
Page two

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Indianapolis, Indiana
October 26, 2022

Randley Associates

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 of
Opportunity Enterprises, Inc.
Valparaiso, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Opportunity Enterprises, Inc.'s (the Agency) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2022. The Agency'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, the Agency 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 June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency'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 Agency'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 of the Agency'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 Agency'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 Agency'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 Agency'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 with the Uniform Guidance, but not for the purpose of expression an opinion on the effectiveness of the Agency'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.

Handwritten signature of Bradley Associates in cursive script.

Indianapolis, Indiana
October 26, 2022

Opportunity Enterprises, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Opportunity Enterprises, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the financial statements of Opportunity Enterprises, Inc.
3. No instances of noncompliance material to the financial statements of Opportunity Enterprises, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs disclosed during the audit are reported in the financial statements of Opportunity Enterprises, Inc.
5. The auditor's report on compliance for the major federal award programs for Opportunity Enterprises, Inc. expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were:

<u>Programs</u>	<u>Assistance Listing Number(s)</u>
Provider Relief Funds	93.498

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Opportunity Enterprises, Inc. was not determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None

D. Prior Year Findings and Questioned Costs – Major Federal Award Programs Audit

None