



OPPORTUNITY RESOURCES, INC.

**INDEPENDENT AUDITOR'S REPORTS and
FINANCIAL STATEMENTS**

For the Years Ended
June 30, 2020 and 2019

OPPORTUNITY RESOURCES, INC.
Missoula, Montana

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report.....	1 and 2
 FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4 and 5
Statements of Functional Revenue and Expenses.....	6 to 13
Statements of Cash Flows.....	14
Notes to the Financial Statements.....	15 to 29
 SUPPLEMENTAL INFORMATION	
Schedule of Revenues and Expenditures by Department	30
 SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	31
Notes to the Schedule of Expenditures of Federal Awards	32
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>	33 and 34
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	35 and 36
Schedule of Findings and Questioned Costs.....	37



Peterson CPA Group, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Opportunity Resources, Inc.
Missoula, Montana

Report on the Financial Statements

We have audited the accompanying financial statements of Opportunity Resources, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019 and the related statements of activities, functional revenue and expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunity Resources, Inc. as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenditures by department on page 30 is presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 31, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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 procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2021, on our consideration of Opportunity Resources, Inc.'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 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 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 Resources, Inc.'s internal control over financial reporting and compliance.

Peterson CPA Group, P.C.

Missoula, Montana

February 4, 2021

FINANCIAL STATEMENTS

OPPORTUNITY RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,178,234	\$ 1,684,380
Accounts Receivable, net	1,563,365	1,237,506
Inventory	178,537	260,323
Prepaid Expenses	35,601	145,709
TOTAL CURRENT ASSETS	<u>4,955,737</u>	<u>3,327,918</u>
INVESTMENTS	<u>888,587</u>	<u>867,903</u>
LAND, BUILDINGS, AND EQUIPMENT, net	<u>4,475,733</u>	<u>4,698,063</u>
OTHER ASSETS		
Funds Held-in-Trust	328,210	234,886
Deposits (Restricted Cash)	46,562	711
Beneficial Interest in Endowment	96,577	97,934
TOTAL OTHER ASSETS	<u>471,349</u>	<u>333,531</u>
TOTAL ASSETS	<u>\$ 10,791,406</u>	<u>\$ 9,227,415</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 68,500	\$ 116,409
Payroll Taxes Payable	89,555	137,583
Wages Payable	189,120	140,321
Accrued Vacation and Sick Pay	407,775	411,854
Unearned Income	46,237	350
Other Payables	4,865	5,376
Current Portion of Long-Term Debt	205,539	210,525
TOTAL CURRENT LIABILITIES	<u>1,011,591</u>	<u>1,022,418</u>
LONG-TERM DEBT, Net of Current Portion	<u>402,925</u>	<u>608,464</u>
OTHER LIABILITIES		
Refundable Advance	1,978,442	-
Funds Held-in-Trust	328,210	234,886
TOTAL OTHER LIABILITIES	<u>2,306,652</u>	<u>234,886</u>
TOTAL LIABILITIES	<u>3,721,168</u>	<u>1,865,768</u>
NET ASSETS		
Without Donor Restriction	6,634,358	6,944,665
With Donor Restriction	435,880	416,982
TOTAL NET ASSETS	<u>7,070,238</u>	<u>7,361,647</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,791,406</u>	<u>\$ 9,227,415</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program Services			
Contracts	\$ 11,003,039	\$ -	\$ 11,003,039
Grants	-	20,763	20,763
Contributions	161,182	-	161,182
Sales	1,140,006	-	1,140,006
Investment	20,315	-	20,315
Loss on Disposal of Assets	(966)	-	(966)
Miscellaneous	555,925	-	555,925
TOTAL REVENUE AND SUPPORT	12,879,501	20,763	12,900,264
Net Assets Released from Restriction	1,865	(1,865)	-
	<u>\$ 12,881,366</u>	<u>\$ 18,898</u>	<u>\$ 12,900,264</u>
EXPENSES			
Program Services			
Work Services	\$ 1,741,094	\$ -	\$ 1,741,094
Transportation	373,773	-	373,773
Community Homes	1,774,927	-	1,774,927
MDC Transitional Supports	366,215	-	366,215
Case Management	14,919	-	14,919
DD Supported Living	3,405,853	-	3,405,853
DD Room and Board	155,997	-	155,997
Supporting Living Sites	195,386	-	195,386
DPHHS Counseling	33,869	-	33,869
Medicaid Waiver Services	2,796,587	-	2,796,587
Medicaid Waiver Room and Board	169,976	-	169,976
RSD Set Aside	132,708	-	132,708
Extended Employment	398,695	-	398,695
Supported Employment	55,037	-	55,037
Client Private Pay	59,455	-	59,455
Sales	1,295,759	-	1,295,759
Total Program Services	12,970,250	-	12,970,250
Supporting Services			
Administration	44,163	-	44,163
Fundraising	177,260	-	177,260
Total Supporting Services	221,423	-	221,423
TOTAL EXPENSES	<u>13,191,673</u>	<u>-</u>	<u>13,191,673</u>
Change in Net Assets	(310,307)	18,898	(291,409)
NET ASSETS			
Beginning of Year	6,944,665	416,982	7,361,647
End of Year	<u>\$ 6,634,358</u>	<u>\$ 435,880</u>	<u>\$ 7,070,238</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program Services			
Contracts	\$ 10,519,856	\$ -	\$ 10,519,856
Grants	131,057	12,943	144,000
Contributions	257,811	-	257,811
Sales	1,405,965	-	1,405,965
Investment	54,330	-	54,330
Loss on Disposal of Assets	(3,546)	-	(3,546)
Miscellaneous	647,086	-	647,086
TOTAL REVENUE AND SUPPORT	13,012,559	12,943	13,025,502
Net Assets Released from Restriction	8,371	(8,371)	-
	<u>\$ 13,020,930</u>	<u>\$ 4,572</u>	<u>\$ 13,025,502</u>
EXPENSES			
Program Services			
Work Services	\$ 1,678,476	\$ -	\$ 1,678,476
Transportation	427,839	-	427,839
Community Homes	1,425,597	-	1,425,597
MDC Transitional Supports	337,340	-	337,340
Case Management	3,504	-	3,504
DD Supported Living	3,255,982	-	3,255,982
DD Room and Board	163,859	-	163,859
Supporting Living Sites	190,921	-	190,921
DPHHS Counseling	47,350	-	47,350
Medicaid Waiver Services	2,638,098	-	2,638,098
Medicaid Waiver Room and Board	137,776	-	137,776
RSD Set Aside	157,275	-	157,275
Extended Employment	347,686	-	347,686
Supported Employment	88,491	-	88,491
Client Private Pay	67,189	-	67,189
Sales	1,459,763	-	1,459,763
Total Program Services	12,427,146	-	12,427,146
Supporting Services			
Administration	75,246	-	75,246
Fundraising	219,469	-	219,469
Total Supporting Services	294,715	-	294,715
TOTAL EXPENSES	12,721,861	-	12,721,861
Change in Net Assets	299,069	4,572	303,641
NET ASSETS			
Beginning of Year	6,645,596	412,410	7,058,006
End of Year	<u>\$ 6,944,665</u>	<u>\$ 416,982</u>	<u>\$ 7,361,647</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Program Services				
	Work Services	Transportation	Community Homes	MDC Transitional Supports	Kalispell Rental
REVENUE AND SUPPORT					
Contracts	\$ 1,647,177	\$ 147,897	\$ 2,078,393	\$ 420,569	\$ -
Grants	-	-	-	-	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	6,244
Total Revenue and Support	<u>\$ 1,647,177</u>	<u>\$ 147,897</u>	<u>\$ 2,078,393</u>	<u>\$ 420,569</u>	<u>\$ 6,244</u>
EXPENSES					
Personnel	\$ 1,574,822	\$ 210,023	\$ 1,708,172	\$ 337,713	\$ -
Cost of Space	84,824	7,212	22,108	8,809	12,074
Equipment	39,602	2,015	17,804	6,099	97
Transportation	618	145,361	186	7,323	-
Supplies	14,256	4,213	12,854	2,165	188
Postage	1,259	79	695	216	-
Telephone	8,735	295	4,455	1,080	2,168
Promotion	-	-	-	-	-
Staff Travel	554	96	642	154	-
Staff Training	1,212	99	832	292	-
Insurance - D&O	763	49	425	132	-
Professional Fees	6,940	400	3,737	1,170	-
Other	5,426	3,931	3,015	1,062	392
Client Wages	2,083	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 1,741,094</u>	<u>\$ 373,773</u>	<u>\$ 1,774,927</u>	<u>\$ 366,215</u>	<u>\$ 14,919</u>
Change in Net Assets	<u>\$ (93,917)</u>	<u>\$ (225,876)</u>	<u>\$ 303,466</u>	<u>\$ 54,354</u>	<u>\$ (8,675)</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Program Services				
	DD Supported Living	DD Room & Board	Supported Living Sites	DPHHS Counseling	Medicaid Waiver Services
REVENUE AND SUPPORT					
Contracts	\$ 3,542,518	\$ -	\$ -	\$ 41,411	\$ 2,809,411
Grants	-	-	-	-	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	-	121,046	133,379	-	-
Total Revenue and Support	<u>\$ 3,542,518</u>	<u>\$ 121,046</u>	<u>\$ 133,379</u>	<u>\$ 41,411</u>	<u>\$ 2,809,411</u>
EXPENSES					
Personnel	\$ 2,993,649	\$ 34,306	\$ 55,754	\$ 25,714	\$ 2,569,622
Cost of Space	60,360	55,216	106,966	1,234	55,310
Equipment	46,498	7,490	13,601	2,146	33,400
Transportation	710	1,241	2,117	27	72,315
Supplies	23,807	49,541	4,756	652	15,911
Postage	2,001	158	305	90	1,392
Telephone	21,614	3,605	7,393	279	8,413
Promotion	-	-	-	-	-
Staff Travel	5,661	126	159	26	3,159
Staff Training	2,020	142	257	381	2,140
Insurance - D&O	1,210	97	185	55	843
Professional Fees	11,075	848	1,669	489	7,663
Other	237,249	3,229	2,223	2,776	26,420
Client Wages	-	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 3,405,853</u>	<u>\$ 155,997</u>	<u>\$ 195,386</u>	<u>\$ 33,869</u>	<u>\$ 2,796,587</u>
Change in Net Assets	<u>\$ 136,665</u>	<u>\$ (34,951)</u>	<u>\$ (62,007)</u>	<u>\$ 7,542</u>	<u>\$ 12,824</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Program Services				
	Medicaid Waiver Room & Board	RSD Set Aside	Extended Employment	Supported Employment	Client Private Pay
REVENUE AND SUPPORT					
Contracts	\$ -	\$ 53,387	\$ 215,645	\$ 46,631	\$ -
Grants	-	2,013	-	1,750	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	128,549	7,112	-	-	26,574
Total Revenue and Support	<u>\$ 128,549</u>	<u>\$ 62,512</u>	<u>\$ 215,645</u>	<u>\$ 48,381</u>	<u>\$ 26,574</u>
EXPENSES					
Personnel	\$ 39,688	\$ 115,256	\$ 352,358	\$ 43,924	\$ 50,212
Cost of Space	54,081	3,418	11,499	1,637	3,660
Equipment	7,566	4,303	8,585	1,577	1,539
Transportation	1,376	4,434	15,879	5,638	1,721
Supplies	62,264	1,876	2,957	740	712
Postage	81	174	335	74	63
Telephone	2,898	624	2,847	228	439
Promotion	-	-	-	-	-
Staff Travel	112	55	112	19	90
Staff Training	77	575	295	186	59
Insurance - D&O	50	105	202	45	38
Professional Fees	427	968	1,861	395	345
Other	1,356	919	1,765	573	578
Client Wages	-	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 169,976</u>	<u>\$ 132,708</u>	<u>\$ 398,695</u>	<u>\$ 55,037</u>	<u>\$ 59,455</u>
Change in Net Assets	<u>\$ (41,427)</u>	<u>\$ (70,196)</u>	<u>\$ (183,050)</u>	<u>\$ (6,656)</u>	<u>\$ (32,881)</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Program Services		Supporting Services	Totals	
		Total Program Services	Administration and Fundraising	2020	2019
	Sales				
REVENUE AND SUPPORT					
Contracts	\$ -	\$ 11,003,039	\$ -	\$ 11,003,039	\$ 10,519,856
Grants	17,000	20,763	-	20,763	144,000
Contributions	1,800	1,800	159,382	161,182	257,811
Sales	1,140,006	1,140,006	-	1,140,006	1,405,965
Investment	-	-	20,315	20,315	54,330
Loss on Disposal of Assets	-	-	(966)	(966)	(3,546)
Miscellaneous	58,483	481,387	74,538	555,925	647,086
Total Revenue and Support	<u>\$ 1,217,289</u>	<u>\$ 12,646,995</u>	<u>\$ 253,269</u>	<u>\$ 12,900,264</u>	<u>\$ 13,025,502</u>
EXPENSES					
Personnel	\$ 96,184	\$ 10,207,396	\$ 130,584	\$ 10,337,980	\$ 9,614,976
Cost of Space	39,635	528,045	2,758	530,803	514,216
Equipment	22,517	214,839	16,704	231,543	236,495
Transportation	14,305	273,253	127	273,380	331,093
Supplies	49,164	246,056	13,577	259,633	273,882
Postage	240	7,162	1,668	8,829	8,126
Telephone	1,848	66,918	1,968	68,886	66,095
Promotion	40	40	12,567	12,607	12,316
Staff Travel	386	11,352	195	11,547	17,965
Staff Training	224	8,789	1,125	9,914	16,747
Insurance - D&O	145	4,344	266	4,610	7,407
Professional Fees	9,076	47,065	2,343	49,408	49,084
Other	3,705	294,621	37,542	332,162	370,726
Client Wages	615,012	617,094	-	617,094	649,119
Production Payroll Taxes	65,316	65,316	-	65,316	70,821
Production Material	328,204	328,204	-	328,204	419,670
Other Costs of Sales	49,759	49,759	-	49,759	63,123
TOTAL EXPENSES	<u>\$ 1,295,759</u>	<u>\$ 12,970,250</u>	<u>\$ 221,423</u>	<u>\$ 13,191,673</u>	<u>\$ 12,721,861</u>
Change in Net Assets	<u>\$ (78,470)</u>	<u>\$ (323,255)</u>	<u>\$ 31,846</u>	<u>\$ (291,409)</u>	<u>\$ 303,641</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES
For the Year Ended June 30, 2019

	Program Services				
	Work Services	Transportation	Community Homes	MDC Transitional Supports	Kalispell Rental
REVENUE AND SUPPORT					
Contracts	\$ 1,603,216	\$ 160,560	\$ 2,002,863	\$ 389,294	\$ -
Grants	-	-	-	40,000	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	3,601
Total Revenue and Support	<u>\$ 1,603,216</u>	<u>\$ 160,560</u>	<u>\$ 2,002,863</u>	<u>\$ 429,294</u>	<u>\$ 3,601</u>
EXPENSES					
Personnel	\$ 1,510,607	\$ 223,011	\$ 1,355,004	\$ 308,303	\$ -
Cost of Space	80,182	7,456	24,297	8,803	3,079
Equipment	43,036	2,825	18,454	5,526	-
Transportation	686	178,051	215	7,956	-
Supplies	14,575	8,779	10,964	1,708	75
Postage	1,092	104	713	168	-
Telephone	8,508	595	4,833	1,031	350
Promotion	48	4	36	13	-
Staff Travel	1,304	709	952	448	-
Staff Training	2,167	227	1,642	440	-
Insurance - D&O	1,186	108	749	211	-
Professional Fees	7,825	723	5,005	1,317	-
Other	4,064	5,247	2,733	1,416	-
Client Wages	3,196	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 1,678,476</u>	<u>\$ 427,839</u>	<u>\$ 1,425,597</u>	<u>\$ 337,340</u>	<u>\$ 3,504</u>
Change in Net Assets	<u>\$ (75,260)</u>	<u>\$ (267,279)</u>	<u>\$ 577,266</u>	<u>\$ 91,954</u>	<u>\$ 97</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2019

	Program Services				
	DD Supported Living	DD Room & Board	Supported Living Sites	DPHHS Counseling	Medicaid Waiver Services
REVENUE AND SUPPORT					
Contracts	\$ 3,185,078	\$ -	\$ -	\$ 48,387	\$ 2,742,161
Grants	-	-	-	-	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	-	124,902	135,533	-	-
Total Revenue and Support	<u>\$ 3,185,078</u>	<u>\$ 124,902</u>	<u>\$ 135,533</u>	<u>\$ 48,387</u>	<u>\$ 2,742,161</u>
EXPENSES					
Personnel	\$ 2,840,790	\$ 36,679	\$ 63,303	\$ 40,198	\$ 2,395,753
Cost of Space	65,745	59,584	98,979	1,261	53,337
Equipment	42,826	6,549	10,591	2,738	33,492
Transportation	1,376	1,819	3,401	40	86,500
Supplies	21,414	50,827	3,586	857	16,355
Postage	1,691	152	264	112	1,262
Telephone	23,158	3,381	6,144	391	7,684
Promotion	566	12	22	5	58
Staff Travel	8,541	142	242	95	3,782
Staff Training	4,501	247	431	404	2,982
Insurance - D&O	1,839	168	295	101	1,325
Professional Fees	12,117	1,102	1,928	722	8,832
Other	231,418	3,197	1,735	426	26,736
Client Wages	-	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 3,255,982</u>	<u>\$ 163,859</u>	<u>\$ 190,921</u>	<u>\$ 47,350</u>	<u>\$ 2,638,098</u>
Change in Net Assets	<u>\$ (70,904)</u>	<u>\$ (38,957)</u>	<u>\$ (55,388)</u>	<u>\$ 1,037</u>	<u>\$ 104,063</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2019

	Program Services				
	Medicaid Waiver Room & Board	RSD Set Aside	Extended Employment	Supported Employment	Client Private Pay
REVENUE AND SUPPORT					
Contracts	\$ -	\$ 91,956	\$ 198,902	\$ 97,439	\$ -
Grants	-	-	-	-	-
Contributions	-	-	-	-	-
Sales	-	-	-	-	-
Investment	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-
Miscellaneous	133,050	1,120	-	-	28,329
Total Revenue and Support	<u>\$ 133,050</u>	<u>\$ 93,076</u>	<u>\$ 198,902</u>	<u>\$ 97,439</u>	<u>\$ 28,329</u>
EXPENSES					
Personnel	\$ 23,452	\$ 139,066	\$ 298,191	\$ 74,662	\$ 58,601
Cost of Space	49,076	4,227	10,933	1,744	2,957
Equipment	4,912	3,907	9,619	1,523	1,332
Transportation	563	4,812	17,931	7,833	2,418
Supplies	55,487	1,579	3,023	726	624
Postage	64	130	324	62	48
Telephone	2,306	577	2,482	260	409
Promotion	5	6	11	3	2
Staff Travel	77	368	387	170	60
Staff Training	97	652	600	235	91
Insurance - D&O	86	153	316	77	59
Professional Fees	524	978	2,182	483	371
Other	1,127	820	1,687	713	217
Client Wages	-	-	-	-	-
Production Payroll Taxes	-	-	-	-	-
Production Material	-	-	-	-	-
Other Costs of Sales	-	-	-	-	-
TOTAL EXPENSES	<u>\$ 137,776</u>	<u>\$ 157,275</u>	<u>\$ 347,686</u>	<u>\$ 88,491</u>	<u>\$ 67,189</u>
Change in Net Assets	<u>\$ (4,726)</u>	<u>\$ (64,199)</u>	<u>\$ (148,784)</u>	<u>\$ 8,948</u>	<u>\$ (38,860)</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES (continued)
For the Year Ended June 30, 2019

	Program Services		Supporting Services	Total
	Sales	Total Program Services	Administration and Fundraising	2019
REVENUE AND SUPPORT				
Contracts	\$ -	\$ 10,519,856	\$ -	\$ 10,519,856
Grants	100,000	140,000	4,000	144,000
Contributions	1,503	1,503	256,308	257,811
Sales	1,405,965	1,405,965	-	1,405,965
Investment	-	-	54,330	54,330
Loss on Disposal of Assets	-	-	(3,546)	(3,546)
Miscellaneous	61,502	488,037	159,049	647,086
Total Revenue and Support	<u>\$ 1,568,970</u>	<u>\$ 12,555,361</u>	<u>\$ 470,141</u>	<u>\$ 13,025,502</u>
EXPENSES				
Personnel	\$ 102,869	\$ 9,470,489	\$ 144,487	\$ 9,614,976
Cost of Space	39,716	511,376	2,840	514,216
Equipment	30,208	217,538	18,957	236,495
Transportation	17,313	330,914	179	331,093
Supplies	57,577	248,156	25,726	273,882
Postage	295	6,481	1,645	8,126
Telephone	2,048	64,157	1,938	66,095
Promotion	18	809	11,507	12,316
Staff Travel	428	17,705	260	17,965
Staff Training	713	15,429	1,318	16,747
Insurance - D&O	280	6,953	454	7,407
Professional Fees	2,007	46,116	2,968	49,084
Other	6,754	288,290	82,436	370,726
Client Wages	645,923	649,119	-	649,119
Production Payroll Taxes	70,821	70,821	-	70,821
Production Material	419,670	419,670	-	419,670
Other Costs of Sales	63,123	63,123	-	63,123
TOTAL EXPENSES	<u>\$ 1,459,763</u>	<u>\$ 12,427,146</u>	<u>\$ 294,715</u>	<u>\$ 12,721,861</u>
Change in Net Assets	<u>\$ 109,207</u>	<u>\$ 128,215</u>	<u>\$ 175,426</u>	<u>\$ 303,641</u>

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (291,409)	\$ 303,641
Adjustments to Reconcile the Change In Net Assets to Net Cash Flows From Operating Activities		
Depreciation	292,123	295,674
Loss on Disposal of Assets	966	3,546
Net Gain on Investments	(20,684)	(50,489)
Changes in Current Assets and Liabilities:		
Accounts Receivable	(325,859)	(42,900)
Inventory	81,786	(44,216)
Prepaid Expenses	110,108	(114,298)
Accounts Payable	(47,909)	26,139
Accrued and Other Liabilities	42,068	74,272
Total Adjustments	132,599	147,728
Net Cash Flows from Operating Activities	(158,810)	451,369
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Buildings or Equipment	17,693	3,661
Purchases of Buildings or Equipment	(88,452)	(163,471)
Withdrawals (contributions) to the Agency Endowment Fund	1,357	(2,690)
Proceeds from Sale of Investments	-	91,159
Purchases of Investments	-	(91,151)
Net Cash Flows from Investing Activities	(69,402)	(162,492)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash Received from Issuance of Debt	1,978,442	1,076
Cash Paid for Debt Repayment	(210,525)	(204,978)
Net Cash Flows from Financing Activities	1,767,917	(203,902)
Net Change in Cash, Cash Equivalents, and Restricted Cash	1,539,705	84,975
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	1,685,091	1,600,116
End of Year	\$ 3,224,796	\$ 1,685,091
Presented on the Statement of Financial Position as:		
Cash and Cash Equivalents	\$ 3,178,234	\$ 1,684,380
Other Assets - Deposits (Restricted Cash)	46,562	711
	\$ 3,224,796	\$ 1,685,091
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 30,662	\$ 34,184

The notes to the financial statements are an integral part of these statements.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 1. ORGANIZATION AND PURPOSE

Opportunity Resources, Inc. (the Organization) is a 501(c)(3) nonprofit organization providing case management, supported living, vocational training, and employment opportunities for individuals with disabilities in the State of Montana. The Organization generates funds from various income-producing activities and grants credit to consumers of these goods and services. The Organization receives significant funding from the Montana Department of Public Health and Human Services (DPHHS) and others primarily under various vendor contracts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board (FASB).

B. Adoption of Accounting Standards

The FASB issued Accounting Standards Update (ASU) 2016-01: *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* in January 2016. This ASU, as subsequently amended by ASUs 2018-03, 2018-19, and 2019-04, addresses certain respects of recognition, measurement, presentation, and disclosure of financial instruments. The Organization implemented this ASU, as amended, on July 1, 2019 following guidance prescribed in the ASUs and has adjusted the presentation of the financial statements accordingly. No changes in prior period amounts resulted from implementing this ASU.

The FASB issued ASU 2016-18: *Statement of Cash Flows (Topic 230): Restricted Cash* in November 2016. This ASU requires the statement of cash flows explain the change during the period in total cash, cash equivalents, and restricted cash. The Organization implemented provisions of this ASU on July 1, 2019 following guidance in this ASU and has adjusted the presentation of the financial statements accordingly. No change to prior period totals resulted from implementing this ASU.

The FASB issued ASU 2018-08: *Not-for-Profit Entities Clarifying the Scope and Accounting Guidance for Contributions Made and Contributions Received (Topic 958)*, in June 2018. This ASU clarified the scope and the accounting guidance for contributions received and made assisting in the determination of whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional.

The Organization adopted Topic 958 on July 1, 2019 following guidance prescribed in the ASU and determined grants and contributions followed guidance of Topic 958. No change in prior year amounts resulted from implementing this ASU.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Adoption of Accounting Standards - continued

The FASB issued Accounting Standards Update (ASU) 2014-09: *Revenue from Contracts with Customers*, Topic 606, in May 2014 along with subsequent amendments and updates providing comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods or services, guidance on accounting for certain contracts, and requires significant new disclosures. The Organization adopted Topic 606 on July 1, 2019 using a modified retrospective approach applied to all contracts that were not completed as of June 30, 2019. The cumulative effective of applying Topic 606 to the prior periods was not material to the Organization's financial statements. Accordingly, the Organization did not retroactively adjust its presentations for periods prior to adoption. The Organization elected to apply the practical expedient eliminating the requirement to disclose information about remaining performance obligations related to its June 30, 2019 performance obligations.

Topic 606 applies to all contracts with customers, except for leases, insurance contracts, financial instruments, and certain nonmonetary exchanges and certain guarantees. A core principal of Topic 606 is that revenue should be recognized from customers for the transfer of goods or services equal to the amount expected to be received for those goods or services and how an entity should identify performance obligations. Topic 606 requires disclosures about the nature, amount, and timing of revenue and cash flows arising from customer contracts, including significant estimates and judgments.

Distinguishing between contributions and exchange transactions determines whether the accounting follows Topic 958 or Topic 606. An entity follows guidance from Topic 958 for contributions and applies guidance from Topic 606 for exchange transactions.

Guidance from Topic 958 indicates that if the possibility a condition will not be met is remote, a conditional promise to give is considered unconditional and contribution revenue is immediately recognized and classified as net assets without donor restrictions or net assets with donor restrictions.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

From time to time, certain bank accounts that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC) exceed their insured limits. At June 30, 2020 and 2019, approximately \$2,848,000 and \$1,529,000 respectively, were not fully insured by the FDIC. The Organization does not believe it is exposed to any significant credit risk on its cash balances as it has not experienced any losses.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of amounts due under state contracts and from customers in the normal course of income-producing activities. Accounts receivable are stated at unpaid balances. Interest is not charged. At June 30, 2020 and 2019, management determined an allowance was not necessary based on a review of historical losses, specific accounts receivable balances, industry and economic conditions, and substantially all receivables classified as current. Management reviews accounts receivable periodically and writes off any receivable determined to be uncollectible. Because of the inherent uncertainties in estimating the allowance for uncollectible receivables, it is at least reasonably possible that the estimates used will change in the near term.

There were no receivables considered financing receivables past due at June 30, 2020 or 2019.

E. Inventory

Inventory consists primarily of materials and supplies used in the Organization's income-producing activities. Inventory is stated at net realizable value (cost, or current catalog cost) using the first-in, first-out method (FIFO). Costs of finished goods represent direct costs associated with inventory production.

F. Land, Buildings, and Equipment

The Organization capitalizes expenditures for land, buildings, and equipment at cost if purchased, or at fair value if donated. Repair and maintenance costs are expensed as incurred and betterments costing more than \$1,500 are capitalized. Capitalized assets are depreciated on a straight-line basis over the following useful lives:

Buildings	20 - 45 years
Building Improvements	7 - 20 years
Equipment	3 - 10 years

G. Investments

Investments consist primarily of mutual funds and are carried at fair value determined by quoted market prices in active markets for identical assets that are required to be measured at fair value (Level 1 input). Increases or decreases in fair value are recognized in the current period as investment gains or losses. Investment income includes interest, dividends, and realized and unrealized gains and losses.

The Organization's investment in securities is exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the financial statements.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Funding and Net Asset Classification

The Organization classifies contracts, contributions, grants, and other transactions as net assets without donor restrictions or with donor restrictions as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and activities that are not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or grantor-imposed restrictions. Some donor or grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity.

The Organization receives the majority of its funding under various fee-for-service contracts with DPHHS. Under state contracting guidelines, the majority of these contracts are treated as vendor agreements. Because the resource provider generally receives commensurate value, these funding agreements are classified as exchange transactions, and are reported as revenue without donor restrictions. Certain contracts with DPHHS are considered subrecipient arrangements and include certain federal funding agencies.

The Organization classifies contributions as net assets with or without donor restrictions in accordance with donor stipulations. Grants from nongovernmental organizations are classified as contributions only if the resource provider does not expect to receive commensurate value.

Donor-restricted funds are classified as with donor restrictions until the donor restriction expires (time restriction ends or purpose restriction accomplished), at which time they are accounted for as net assets released from restrictions and are reclassified to net assets without donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue and support without donor restrictions. All expenses are reported as net assets without donor restrictions.

I. Revenue Recognition

Prior to the adoption of Topic 958 and Topic 606 on July 1, 2019, revenue was recognized when earned following guidance of FASB ASC 605. Contributions were recognized as revenue when received or unconditionally promised.

The Organization adopted Topic 958 in accordance with guidance in the ASU on July 1, 2019 with no significant change in revenue recognition identified from implementing this new accounting standard.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Revenue Recognition – (continued)

Contribution and grant revenue are recognized following guidance of Topic 958. No significant change in revenue recognition resulted from adopting this new accounting standard on July 1, 2019.

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose restriction is accomplished) in the same reporting period in which the revenue is recognized.

The Organization implemented Topic 606 using the modified retrospective approach, which applies the new accounting standard to contracts that were not complete as of the date of adoption. Revenue is recognized when evidence of a contract exists, the performance obligations have been identified and satisfied, the transaction price is determinable, and collection is reasonably assured.

The Organization's revenue streams, timing of revenue recognition, and amount recognized in fiscal year 2020 is as follows:

<u>Revenue Stream</u>	<u>Accounting Standard</u>	<u>Recognized</u>	<u>Amount</u>
Contracts	ASC 606	Over time	\$ 11,003,039
Sales	ASC 606	Over time	\$ 1,140,006
Supported Living - Miscellaneous	ASC 606	Over time	\$ 555,925
Contributions and Grants	ASC 958	Point in time	\$ 181,945
Investment and Other	ASC 606	Over time	\$ 19,349

Beginning and ending balances of contract balances (accounts receivable) are detailed in Note 4. There were no significant economic factors impacting revenue recognition in fiscal year 2020.

J. Expense Allocations

Administrative expenses are allocated to the sales and program services departments according to the portion of cost benefiting each department, hours worked, and square footage of the buildings. The Organization direct charges expenses whenever possible. Other charges are allocated to programs based primarily on employee hours. Other costs, such as insurance, depreciation, and related costs are allocated based on square footage.

K. Advertising and Promotion Costs

The Organization expenses the cost of advertising and promotion as incurred. Advertising and promotion expenses totaled \$12,607 and \$12,317 in 2020 and 2019, respectively.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

M. Risks and Uncertainties

The Organization faces a number of risks including loss or damage to property and general liability. Commercial insurance policies are purchased for loss or damage to property and for general liability.

N. Income Tax Status

The Organization is exempt from income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. This code enables the Organization to accept donations that qualify as charitable contributions to the donor. The Organization's increase in net assets is generally not subject to income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income tax has been recorded in the financial statements as the amounts are not significant.

O. Recent Accounting Pronouncements

The FASB issued ASU 2016-02: *Leases* in February 2016. This ASU requires the recognition of lease assets and liabilities in the financial statements as a "right-of-use" asset and a lease liability. This ASU supersedes lease accounting requirements of the FASB and requires new, additional disclosures. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

The FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities* on June 3, 2020. This ASU defers the effective date of Topic 606 and Topic 842 for certain entities that had not yet issued their financial statements to support and assist stakeholders as they cope with the challenges and hardships related to the COVID-19 pandemic.

The Organization implemented Topic 606 in 2019 and has elected to defer Topic 842 for annual reporting periods beginning after December 15, 2021 while evaluating the impact of Topic 842 on its financial statements.

P. Subsequent Events

Management has evaluated subsequent events through February 4, 2021, the date which the financial statements were available for issue.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 3,178,234	\$ 1,684,380
Accounts Receivable, net	1,563,365	1,237,506
Investments	<u>888,587</u>	<u>867,903</u>
	<u>\$ 5,630,186</u>	<u>\$ 3,789,789</u>

The Organization has not adopted a liquidity management plan. The Organization has various sources of liquidity at its disposal, including cash in bank accounts, receivables, and certain investments. The Organization also has a \$250,000 line of credit with a local financial institution (see Note 10).

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable were comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Sales	\$ 147,967	\$ 228,823
Contracts	1,275,543	956,636
Other	<u>139,855</u>	<u>52,047</u>
	<u>\$ 1,563,365</u>	<u>\$ 1,237,506</u>

Management reviews accounts receivable periodically and writes off any receivable determined to be uncollectible. Write offs totaled \$4,471 and \$513 for 2020 and 2019, respectively.

NOTE 5. INVENTORY

Inventory was comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Raw Materials	\$ 107,201	\$ 146,700
Finished Goods	<u>71,336</u>	<u>113,623</u>
	<u>\$ 178,537</u>	<u>\$ 260,323</u>

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 6. INVESTMENTS

A framework for measuring fair value and defining fair value is provided by GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. GAAP also establishes a fair value hierarchy, which prioritizes the valuation of inputs into three broad levels, as described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 for which all significant inputs are observable, either directly or indirectly.

Level 3 – Significant unobservable prices or inputs where there is little or no market activity for the asset or liability at the measurement date.

Beneficial Interests in Agency Endowment – valued at fair value using information provided by the Montana Community Foundation year-end statements.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Organization's policy for determining the timing of significant transfers between Levels 1 and 2 is at the end of the reporting period.

Cash, money market accounts, and other cash equivalents are valued at their carrying amount, which approximates fair value. Marketable equity securities are stated at fair value based on quoted market prices in active markets.

Mutual funds are valued at the net asset value (NAV). The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares held by the fund outstanding at year end. The NAV is quoted in an active market. The Organization reports mutual funds under Level 1.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 6. INVESTMENTS (continued)

The Organization reports investments at fair value using a market approach based on quoted prices for identical assets in active markets (Level 1 Measurements). The cost and fair value of investments measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	2020			2019		
	Cost	Unrealized Gain (Loss)	Fair Value	Cost	Unrealized Gain (Loss)	Fair Value
Money Market	\$ 4,854	\$ -	\$ 4,854	\$ 4,809	\$ -	\$ 4,809
Level 1:						
Mutual Funds:						
Income	52,991	2,624	55,615	51,129	(695)	50,434
Income and Growth	638,537	189,581	828,118	602,547	210,113	812,660
Total Mutual Funds	691,528	192,205	883,733	653,676	209,418	863,094
	<u>\$ 696,382</u>	<u>\$ 192,205</u>	<u>\$ 888,587</u>	<u>\$ 658,485</u>	<u>\$ 209,418</u>	<u>\$ 867,903</u>

The following table represents, by level, the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of June 30, 2020 and 2019:

June 30, 2020	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 883,733	\$ -	\$ -	\$ 883,733
Beneficial Interest in Endowment	-	-	96,577	96,577
Total	<u>\$ 883,733</u>	<u>\$ -</u>	<u>\$ 96,577</u>	<u>\$ 980,310</u>
June 30, 2019	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 863,094	\$ -	\$ -	\$ 863,094
Beneficial Interest in Endowment	-	-	97,934	97,934
Total	<u>\$ 863,094</u>	<u>\$ -</u>	<u>\$ 97,934</u>	<u>\$ 961,028</u>

A reconciliation of beginning and ending fair values for assets measured using Level 3 inputs (Beneficial Interest in Agency Endowment) is as follows:

	2020	2019
Fair Value, Beginning of Year	\$ 97,934	\$ 95,244
Realized and Unrealized Gains	2,047	2,690
Transfers	(3,404)	-
Fair Value, End of Year	<u>\$ 96,577</u>	<u>\$ 97,934</u>

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 7. BENEFICIAL INTEREST IN ENDOWMENT

The Organization transferred funds from its investment account to the Montana Community Foundation during 2018 for the Organization's benefit. The Organization is the designated beneficiary of this fund. The Organization gave variance power to the Montana Community Foundation. Variance power gives the Montana Community Foundation complete control and ownership of these funds. Annual distributions received and earnings distributed from this fund are subject to approval by the Montana Community Foundation Board of Directors. Earnings distributed by the Montana Community Foundation are recorded as contributions in the year of receipt by the Organization. The Montana Community Foundation Board of Directors has full authority to vary the terms of this endowment fund as appropriate.

NOTE 8. OPERATING LEASES

The Organization leased certain office equipment, rented office space, and rented vehicles under terms of operating leases expiring with various maturity dates until June 2022. Future minimum rental payments required are as follows:

2021	\$	6,564
2022		<u>3,251</u>
	\$	<u><u>9,815</u></u>

Rent expense totaled \$9,747 and \$8,970 for the years ended June 30, 2020 and 2019, respectively.

NOTE 9. LAND, BUILDINGS, AND EQUIPMENT

Depreciation expense for the years ended June 30, 2020 and 2019 totaled \$292,123 and \$295,674, respectively.

Land, buildings, and equipment include assets valued at approximately \$312,000 that are restricted by a donor for client educational purposes and for investment to support the Organization's mission into perpetuity. These assets are classified as net assets with donor restrictions.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 9. LAND, BUILDINGS, AND EQUIPMENT (continued)

Land, buildings, and equipment at June 30, 2020 and 2019 were as follows:

	2018	Additions	Disposals	2019
Land	\$ 1,455,265	\$ -	\$ -	\$ 1,455,265
Construction in Progress	650	-	(650)	-
Building and Improvements	5,720,488	92,739	-	5,813,227
Equipment, Furniture, and Fixtures	<u>2,503,964</u>	<u>69,083</u>	<u>(82,702)</u>	<u>2,490,345</u>
	9,680,367	161,822	(83,352)	9,758,837
Accumulated Depreciation	<u>(4,842,894)</u>	<u>(295,684)</u>	<u>77,804</u>	<u>(5,060,774)</u>
Land, Buildings, and Equipment, net	<u>\$ 4,837,473</u>	<u>\$ (133,862)</u>	<u>\$ (5,548)</u>	<u>\$ 4,698,063</u>
	2019	Additions	Disposals	2020
Land	\$ 1,455,265	\$ -	\$ -	\$ 1,455,265
Construction in Progress	-	9,550	-	9,550
Building and Improvements	5,813,227	29,149	(1,773)	5,840,603
Equipment, Furniture, and Fixtures	<u>2,490,345</u>	<u>49,753</u>	<u>(105,185)</u>	<u>2,434,913</u>
	9,758,837	88,452	(106,958)	9,740,331
Accumulated Depreciation	<u>(5,060,774)</u>	<u>(292,123)</u>	<u>88,299</u>	<u>(5,264,598)</u>
Land, Buildings, and Equipment, net	<u>\$ 4,698,063</u>	<u>\$ (203,671)</u>	<u>\$ (18,659)</u>	<u>\$ 4,475,733</u>

NOTE 10. LINE OF CREDIT

The Organization maintains an unsecured operating line of credit with a local financial institution with a credit limit of \$250,000 that matured October 30, 2019. This line of credit was subsequently renewed under the same terms and conditions maturing February 28, 2021. The interest rate at June 30, 2020 and 2019 was 4.25% and 4.75%, respectively. There was no outstanding balance at June 30, 2020 or 2019.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 11. NOTES PAYABLE

Long-term notes payable consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Mortgage payable to Streeter Brothers Mortgage Co., repayable in monthly payments of \$644, including interest at 2.75%; maturing June 2031; secured by real property.	\$ 73,243	\$ 78,868
Note payable to Clearwater Credit Union, repayable in monthly payments of \$4,344, including interest at 3.79%; maturing March 2021; secured by real property.	38,487	88,129
Note payable to Clearwater Credit Union, repayable in monthly payments of \$12,833, including interest at 3.63%; maturing June 2023; secured by real property.	437,100	572,516
Note payable to Clearwater Credit Union, repayable in monthly payments of \$1,930, including interest at 4.70%; maturing March 2023; secured by real property.	<u>59,634</u>	<u>79,476</u>
Total Long-Term Debt	\$ 608,464	\$ 818,989
Less Current Portion	<u>205,539</u>	<u>210,525</u>
Long-Term Debt	<u><u>\$ 402,925</u></u>	<u><u>\$ 608,464</u></u>

Annual debt maturities are as follows:

<u>June 30,</u>	
2021	\$ 205,539
2022	173,369
2023	174,145
2024	6,278
2025	6,453
Thereafter	<u>42,680</u>
	<u><u>\$ 608,464</u></u>

Interest expense totaled \$30,662 and \$34,184 for the years ended June 30, 2020 and 2019, respectively.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 12. OTHER LIABILITIES

Other liabilities consist of funds held-in-trust and refundable advances. Funds held-in-trust are client funds held and managed for their benefit.

The Refundable Advance is comprised of a loan under the Paycheck Protection Program. The Organization has elected to account for this loan following guidance of FASB ASC 958-605. The advance is uncollateralized and fully guaranteed by the Federal government. The Organization is eligible for forgiveness of up to 100% of the loan upon meeting certain requirements during 2020. The Organization intends to apply for forgiveness once SBA guidelines are finalized. The Organization will be required to repay any amount not forgiven with interest at 1% in monthly principal and interest payments commencing upon notification of partial forgiveness or non-forgiveness.

NOTE 13. PENSION PLAN

The Organization provides a tax-sheltered annuity plan that all employees may contribute to. The Organization provides a matching contribution of up to 4% of compensation for employees with one or more years of service. All employer and employee contributions are immediately vested. Matching contributions for the years ended June 30, 2020 and 2019 totaled \$75,271 and \$80,766, respectively.

NOTE 14. NET ASSETS

Net assets consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Undesignated	\$ 6,634,358	\$ 6,944,665
Total Net Assets Without Donor Restrictions	<u>\$ 6,634,358</u>	<u>\$ 6,944,665</u>
Net Assets With Donor Restrictions		
Subject to expenditure for specified purpose and passage of time:		
Ranch improvements	<u>\$ 27,403</u>	<u>\$ 7,148</u>
Not subject to passage of time:		
Ranch property donor specified use for client education	311,900	311,900
Montana Community Foundation Endowment Fund	<u>96,577</u>	<u>97,934</u>
	<u>408,477</u>	<u>409,834</u>
Total Net Assets With Donor Restrictions	<u>\$ 435,880</u>	<u>\$ 416,982</u>

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 15. COMMITMENTS AND CONTINGENCIES

The Montana Department of Public Health and Human Services has contributed a total of \$498,947 towards the construction and improvement of group homes. The U.S. Department of Housing and Urban Development has contributed \$440,187 towards the construction of two group homes. Grant agreements between the Organization and state and federal agencies include provisions which give the governmental agencies the right to assume ownership to ensure that the group homes are used to fulfill specific services related to the Organization's tax-exempt purpose. The Organization may elect to repay the original contribution in lieu of relinquishing the property.

The cost and accumulated depreciation of the group homes at June 30, 2020 are \$2,450,296 and \$1,377,803, respectively, and are \$2,427,427 and \$1,287,856 at June 30, 2019, respectively. Since management intends to provide the specified services indefinitely, the likelihood of the governmental agencies assuming ownership is considered remote.

From time to time, the Organization is involved in various litigation matters that arise during the ordinary course of operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the final resolution of any outstanding litigation will not have a material adverse effect on the financial position or operating results of the Organization. Accordingly, no provision for losses has been recorded in the financial statements.

NOTE 16. FUNDRAISING EXPENSES

Fundraising expenses for the years ended June 30, 2020 and 2019 totaled \$177,260 and \$219,469, respectively. Fundraising expenses represent 1.3% and 1.7% of total expense for the years ended June 30, 2020 and 2019, respectively. Fundraising revenue totaled \$159,382 and \$256,308 for the years ended June 30, 2020 and 2019, respectively.

NOTE 17. CONCENTRATIONS AND OPERATIONS

Amounts due under various contracts and agreements with the State of Montana represented approximately 82% and 77% of total accounts receivable at June 30, 2020 and 2019, respectively.

Revenue from various contracts and agreements with the State of Montana represented approximately 85% and 81% of the Organizations total revenue for the years ended June 30, 2020 and 2019, respectively. Any significant decrease in contracts and agreements with the State of Montana could have a negative impact on future operations and program services of the Organization.

Four vendors represented approximately 44% and 23% of total accounts payable at June 30, 2020 and 2019, respectively.

OPPORTUNITY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 18. SUBSEQUENT EVENTS AND ECONOMIC CONDITIONS

Subsequent to year end, the United States and global financial markets experienced significant declines in value resulting from uncertainty caused by the world-wide coronavirus pandemic. The Organization is closely monitoring its investment portfolio, including endowment funds, and its liquidity and is actively working to minimize the impact of these declines. The Organization's financial statements do not include adjustments to fair value that have resulted from these declines.

The Organization's operations have been negatively impacted by the effects of the world-wide coronavirus pandemic subsequent to year-end. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is unknown and cannot reasonably be estimated.

SUPPLEMENTAL INFORMATION

OPPORTUNITY RESOURCES, INC.
SCHEDULE OF REVENUES AND EXPENDITURES BY DEPARTMENT
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>				
	<u>Woodshop</u>	<u>Janitorial</u>	<u>Production Center</u>	<u>Misc</u>	<u>Total</u>
Revenue	\$ 222,337	\$ 609,298	\$ 153,489	\$ 175,183	\$ 1,160,307
Expenditures	<u>430,503</u>	<u>425,779</u>	<u>230,346</u>	<u>155,288</u>	<u>1,241,916</u>
Contribution Margin	<u>\$ (208,166)</u>	<u>\$ 183,519</u>	<u>\$ (76,857)</u>	<u>\$ 19,895</u>	<u>\$ (81,609)</u>
Percentage	-93.6%	30.1%	-50.1%	11.4%	-7.0%
	<u>2019</u>				
	<u>Woodshop</u>	<u>Janitorial</u>	<u>Production Center</u>	<u>Misc</u>	<u>Total</u>
Revenue	\$ 354,029	\$ 546,403	\$ 379,579	\$ 245,310	\$ 1,525,321
Expenditures	<u>420,340</u>	<u>394,032</u>	<u>394,152</u>	<u>200,575</u>	<u>1,409,099</u>
Contribution Margin	<u>\$ (66,311)</u>	<u>\$ 152,371</u>	<u>\$ (14,573)</u>	<u>\$ 44,735</u>	<u>\$ 116,222</u>
Percentage	-18.7%	27.9%	-3.8%	18.2%	7.6%

See Independent Auditor's Report

SINGLE AUDIT SECTION

OPPORTUNITY RESOURCES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

	<u>Contract Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
U.S. Department of the Treasury				
Passed through the State of Montana				
CARES, Act - State of Montana Stay Connected Grant (COVID-19)	N/A	21.019	\$ 2,000	\$ -
Total U.S. Department of the Treasury			\$ 2,000	\$ -
U.S. Department of Education				
Passed through the Montana Department of Public Health and Human Services				
Rehabilitation Services - RSD Set Aside - Vocational				
Rehabilitation Grants to States	N/A	84.126A	\$ 98,234	\$ -
Supported Employment Services - RSD				
Transitional Employment (VI-C) - Supported Employment				
Services for Individuals with Significant Disabilities	N/A	84.187A	55,035	-
Total U.S. Department of Education			\$ 153,269	\$ -
U.S. Department of Health and Human Services				
Medicaid Cluster				
Medical Assistance Program - Medicaid Waiver (Title XIX)	19-145-0200	93.778	1,906,523	-
Total Medicaid Cluster			\$1,906,523	\$ -
Total U.S. Department of Health and Human Services			\$1,906,523	\$ -
Total Federal Expenditures			\$2,061,792	\$ -

See accompanying notes and Independent Auditor's Report

OPPORTUNITY RESOURCES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Opportunity Resources, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Opportunity Resources, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Opportunity Resources, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

NOTE 3. PROGRAM DESCRIPTIONS

Opportunity Resources, Inc. is a nonprofit corporation providing cash management, supported living, vocational training, employment, and other services to individuals who are developmentally disabled. Opportunity Resources, Inc. receives the majority of its funding under contracts with the Montana Department of Public Health and Human Services. Certain contracts are federally funded by the U.S. Department of Health and Human Services under the Medical Assistance Program (Medicaid; Title XIX) Waiver Program (CFDA 93.778). Substantially all funding received by Opportunity Resources, Inc. is passed through the State of Montana using fee-for-service contractual arrangements. Various financial reports are filed with the Montana Department of Public Health and Human Services using forms prescribed by that department. An individual's eligibility for services is determined by the Montana Department of Public Health and Human Services.

NOTE 4. INDIRECT COST RATE

Opportunity Resources, Inc. has elected not to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.



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 Resources, Inc.
Missoula, Montana

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 Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional revenue and expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Opportunity Resources, Inc.'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 Opportunity Resources, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Opportunity Resources, Inc.'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 Opportunity Resources, Inc.'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.

Peterson CPA Group, P.C.

Missoula, Montana

February 4, 2021



Peterson CPA Group, P.C.

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

To the Board of Directors of
Opportunity Resources, Inc.
Missoula, Montana

Report on Compliance for The Major Federal Program

We have audited Opportunity Resources, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Opportunity Resources, Inc.'s major federal program for the year ended June 30, 2020. Opportunity Resources, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Opportunity Resources, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. 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 Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Opportunity Resources, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Opportunity Resources, Inc.'s compliance.

Opinion on The Major Federal Program

In our opinion, Opportunity Resources, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Opportunity Resources, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Opportunity Resources, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Opportunity Resources, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Peterson CPA Group, P.C.

Missoula, Montana
February 4, 2021

OPPORTUNITY RESOURCES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified not considered
to be material weaknesses? None Reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified not considered
to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Audit findings disclosed that are required to be reported in
Accordance with 2 CFR 500.516(a)? No

Identification of Major Program:

U.S. Department of Health and Human Services
Medical Assistance Program (Medicaid Waiver; Title XIX) CFDA 93.778
Medicaid Cluster

The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.

Opportunity Resources, Inc. qualified as a low-risk auditee under the provisions of the Uniform Guidance.

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – Summary Schedule of Prior Year Findings

The audit report for the year ended June 30, 2019 contained no findings.