

**OPPORTUNITY KNOCKS INCORPORATED
REPORT ON THE AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

OPPORTUNITY KNOCKS INCORPORATED
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Opportunity Knocks Incorporated

We have audited the accompanying financial statements of Opportunity Knocks Incorporated (an Illinois not-for-profit corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional 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.

Auditors' 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunity Knocks Incorporated as of June 30, 2018 and 2017, 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.

Knuttle & Associates, P.C.

OPPORTUNITY KNOCKS INCORPORATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash	\$ 188,126	\$ 172,022
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$500 and \$1,000, Respectively)	21,809	18,749
Pledges Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	2,000	21,640
Grants Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	17,000	0
Prepaid Expenses	5,175	0
	<u>234,110</u>	<u>212,411</u>
TOTAL CURRENT ASSETS		
FIXED ASSETS		
Vehicles	154,621	154,621
Furniture and Equipment	91,338	87,528
Leasehold Improvements	19,429	19,429
	<u>265,388</u>	<u>261,578</u>
Less – Accumulated Depreciation and Amortization	171,292	140,035
	<u>94,096</u>	<u>121,543</u>
TOTAL FIXED ASSETS		
	<u>\$ 328,206</u>	<u>\$ 333,954</u>
TOTAL ASSETS		

LIABILITIES AND NET ASSETS

	2018	2017
CURRENT LIABILITIES		
Accounts Payable	\$ 5,371	\$ 3,839
Deferred Program Revenue	1,339	1,724
Accrued Payroll	24,343	15,647
Accrued Expenses	1,143	1,184
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	32,196	22,394
	<hr/>	<hr/>
TOTAL LIABILITIES	32,196	22,394
	<hr/>	<hr/>
NET ASSETS		
Unrestricted	296,010	296,560
Temporarily Restricted	0	15,000
	<hr/>	<hr/>
TOTAL NET ASSETS	296,010	311,560
	<hr/>	<hr/>
 TOTAL LIABILITIES AND NET ASSETS	 \$ 328,206	 \$ 333,954
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See Accompanying Notes To The Financial Statements.

OPPORTUNITY KNOCKS INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUES				
Special Events (Net of Costs of Direct Benefits to Donors of \$166,639)	\$ 344,580	\$ 0	\$ 0	\$ 344,580
Grants and Contributions	333,879	0	0	333,879
Program Income	191,645	0	0	191,645
In-Kind Donations	4,500	0	0	4,500
Interest Income	172	0	0	172
Net Assets Released from Restrictions	15,000	(15,000)	0	0
TOTAL PUBLIC SUPPORT AND REVENUES	889,776	(15,000)	0	874,776
FUNCTIONAL EXPENSES				
Program Services				
Life Shop	386,495	0	0	386,495
After Opps	281,087	0	0	281,087
Morning Opps	35,136	0	0	35,136
Total Program Services	702,718	0	0	702,718
Management and General	171,856	0	0	171,856
Fundraising	15,752	0	0	15,752
TOTAL FUNCTIONAL EXPENSES	890,326	0	0	890,326
CHANGE IN NET ASSETS	(550)	(15,000)	0	(15,550)
NET ASSETS,				
BEGINNING OF YEAR	296,560	15,000	0	311,560
END OF YEAR	\$ 296,010	\$ 0	\$ 0	\$ 296,010

See Accompanying Notes To The Financial Statements.

OPPORTUNITY KNOCKS INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUES				
Special Events (Net of Costs of Direct Benefits to Donors of \$165,506)	\$ 353,563	\$ 0	\$ 0	\$ 353,563
Grants and Contributions	241,435	0	0	241,435
Program Income	158,255	0	0	158,255
In-Kind Donations	115,090	0	0	115,090
Interest Income	182	0	0	182
Net Assets Released from Restrictions	30,000	(30,000)	0	0
TOTAL PUBLIC SUPPORT AND REVENUES	898,525	(30,000)	0	868,525
FUNCTIONAL EXPENSES				
Program Services				
Life Shop	383,241	0	0	383,241
After Opps	278,721	0	0	278,721
Morning Opps	34,840	0	0	34,840
Total Program Services	696,802	0	0	696,802
Management and General	134,473	0	0	134,473
Fundraising	14,281	0	0	14,281
TOTAL FUNCTIONAL EXPENSES	845,556	0	0	845,556
CHANGE IN NET ASSETS	52,969	(30,000)	0	22,969
NET ASSETS,				
BEGINNING OF YEAR	243,591	45,000	0	288,591
END OF YEAR	\$ 296,560	\$ 15,000	\$ 0	\$ 311,560

See Accompanying Notes To The Financial Statements.

**OPPORTUNITY KNOCKS INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
FUNCTIONAL EXPENSES				
Advertising and Promotion	\$ 191	\$ 4,625	\$ 344	\$ 5,160
Automobile	73	3,117	0	3,190
Bad Debt	3,500	0	0	3,500
Board Development	0	891	0	891
Depreciation and Amortization	28,131	3,126	0	31,257
Employee Benefits	38,147	4,222	39	42,408
Farming	5,535	0	0	5,535
Insurance	20,669	2,297	0	22,966
License and Fees	2,235	12,283	10,571	25,089
Occupancy	42,840	6,539	0	49,379
Office	208	1,000	0	1,208
Payroll	484,919	93,705	0	578,624
Payroll Tax	36,521	3,890	0	40,411
Postage	0	670	0	670
Printing and Copying	375	7,947	0	8,322
Professional Services	100	14,598	0	14,698
Repairs and Maintenance	0	267	0	267
Scholarships and Contributions	1,200	0	0	1,200
Staff Development	4,478	493	858	5,829
Supplies	33,048	11,572	3,940	48,560
Travel	548	0	0	548
Volunteer Costs	0	614	0	614
TOTAL FUNCTIONAL EXPENSES	\$ 702,718	\$ 171,856	\$ 15,752	\$ 890,326

See Accompanying Notes To The Financial Statements.

**OPPORTUNITY KNOCKS INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
FUNCTIONAL EXPENSES				
Advertising and Promotion	\$ 927	\$ 2,640	\$ 981	\$ 4,548
Automobile	126	2,523	310	2,959
Bad Debt	4,959	0	0	4,959
Board Development	0	1,155	0	1,155
Depreciation and Amortization	34,004	3,666	0	37,670
Employee Benefits	32,463	6,606	0	39,069
Farming	7,837	0	0	7,837
Insurance	26,895	2,690	0	29,585
License and Fees	906	5,452	29	6,387
Occupancy	42,840	6,539	0	49,379
Office	925	2,094	0	3,019
Payroll	461,119	78,534	10,285	549,938
Payroll Tax	36,479	4,053	0	40,532
Printing and Copying	8,656	385	0	9,041
Professional Services	0	7,713	0	7,713
Repairs and Maintenance	0	240	0	240
Scholarships and Contributions	1,616	0	0	1,616
Staff Development	3,259	3,259	0	6,518
Supplies	33,188	6,334	2,576	42,098
Travel	603	0	0	603
Volunteer Costs	0	590	100	690
TOTAL FUNCTIONAL EXPENSES	\$ 696,802	\$ 134,473	\$ 14,281	\$ 845,556

See Accompanying Notes To The Financial Statements.

OPPORTUNITY KNOCKS INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Grants, Donations and Other Sources	\$ 954,835	\$ 897,418
Interest Received	172	182
Paid to Suppliers and Employees	(935,093)	(901,121)
Interest Paid	0	0
Income Taxes Paid	0	0
	<u>19,914</u>	<u>(3,521)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for the Purchase of Fixed Assets	(3,810)	(1,409)
	<u>(3,810)</u>	<u>(1,409)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	16,104	(4,930)
CASH AND CASH EQUIVALENTS,		
BEGINNING OF YEAR	<u>172,022</u>	<u>176,952</u>
END OF YEAR	<u>\$ 188,126</u>	<u>\$ 172,022</u>
 NON-CASH OPERATING ACTIVITIES		
Donated Goods	\$ 77,603	\$ 62,154
Donated Fixed Assets	0	110,590
Donated Space	4,500	4,500
	<u>\$ 82,103</u>	<u>\$ 177,244</u>
TOTAL NON-CASH OPERATING ACTIVITIES		

See Accompanying Notes To The Financial Statements.

OPPORTUNITY KNOCKS INCORPORATED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ (15,550)</u>	<u>\$ 22,969</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	31,257	37,670
Donated Fixed Assets	0	(110,590)
Allowance for Doubtful Accounts	(500)	(3,235)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(2,560)	16,473
Pledges Receivable	19,640	(15,345)
Grants Receivable	(17,000)	45,000
Other Receivable	0	3,245
Prepaid Expenses	(5,175)	0
Accounts Payable	1,532	1,417
Deferred Program Revenue	(385)	(366)
Accrued Payroll	8,696	(770)
Accrued Expenses	(41)	11
Total Adjustments	<u>35,464</u>	<u>(26,490)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 19,914</u></u>	<u><u>\$ (3,521)</u></u>

See Accompanying Notes To The Financial Statements.

**OPPORTUNITY KNOCKS INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Nature of Organization

Opportunity Knocks Incorporated (the "Organization") is an Illinois not-for-profit corporation formed in March 2009 for the purpose of providing opportunities and resources for individuals with developmental disabilities so they may pursue their educational, occupational, and social interests. A summary of the Organization's program services are described below:

After Opps - After Opps is an after school/after work program that offers social and recreational activities. The Organization holds 4 After Opps program seasons (winter, spring, summer and fall) consisting of one 5-week and one following 4-week session. The Organization aims to stimulate the interest of various leisurely activities, participation within the community, and the continued engagement of these activities outside of programs.

Life Shop - Life Shop began as a pilot program in the fall of 2013. The Organization has expanded the program, serving more individuals. The Life Shop strives to maximize opportunities for the older than age 22 adult with developmental disabilities. The program is focused on the Warrior in three phases: health & wellness, improving life skills and community integration.

Morning Opps - Morning Opps, launched in 2012, provides activities for the students in Oak Park River Forest High School's TEAM (Transitional Education with Access to the Mainstream) classrooms. Morning Opps, is offered on late arrival Wednesdays throughout the school year when the Oak Park River Forest High School faculty and staff participate in professional development training.

B) Basis of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are recorded when incurred.

OPPORTUNITY KNOCKS INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not use fund accounting.

D) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Pledges Receivable - When a donor has unconditionally promised to contribute funds in future periods, the Organization recognizes the fair value of the pledge receivable. Pledges expected to be collected within one year are recorded as a donation and a receivable at net realizable value, which approximates fair value. Pledges expected to be collected in future years are recorded as a donation and a receivable at the present value of the expected future cash flows. Pledges receivable at June 30, 2018 and 2017 were expected to be collected within one year.

Allowance for Doubtful Accounts - Accounts, pledges, grants and other receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable. The allowance for doubtful accounts is \$500 and \$1,000 at June 30, 2018 and 2017, respectively.

OPPORTUNITY KNOCKS INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Accounting Policies (Continued)

Fixed Assets - The Organization capitalizes all fixed assets. Purchased furniture, equipment and vehicles are recorded at cost, while donated fixed assets are recorded at their estimated fair value on the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of fixed assets are capitalized. Depreciation is computed on the straight-line method over various useful lives. Depreciation expense is \$30,757 and \$37,170 for the years ended June 30, 2018 and 2017, respectively. Leasehold improvements are stated at cost. Amortization is computed on a straight-line basis over various useful lives. Amortization expense is \$500 for the years ended June 30, 2018 and 2017, respectively.

Donated Goods - Donated goods are recognized as a contribution at their estimated fair value when donated to the Organization. During the years ended June 30, 2018 and 2017, the Organization received donated items for the Organization's several auctions valued at \$77,603 and \$62,154, respectively. These amounts are included as special events revenue and special events expense on the statements of activities.

Donated Fixed Assets - Donated fixed assets are recognized as a contribution at their estimated fair value when donated to the Organization. During the years ended June 30, 2018 and 2017, the Organization received donated items valued at \$0 and \$110,590, respectively. These amounts are included as in-kind donations revenue on the statements of activities and furniture and equipment on the statements of financial position.

Donated Space - Donated space is recognized as a contribution at estimated fair value when donated to the Organization. During the years ended June 30, 2018 and 2017, the Organization received donated space valued at \$4,500, respectively. These amounts are included as in-kind donations revenue and program services expense on the statements of activities.

Donated Services - Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in its programs. No amounts have been recognized for these services in the accompanying statements of activities because the criteria for recognition of such volunteer effort have not been satisfied.

OPPORTUNITY KNOCKS INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for tax years 2014 and prior.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - OPERATING LEASE

The Organization leases its facility under a five year operating lease that expires June 30, 2021 with monthly rent of \$2,800. For the years ended June 30, 2018 and 2017, rent expense is \$33,600, respectively.

Future minimum payments of operating leases are as follows:

For the year ended June 30, 2019	\$	33,600
		2020
		33,600
		2021
		33,600
	\$	100,800

NOTE 3 - NET ASSET RESTRICTIONS

Temporarily restricted net assets are available for the following purposes at June 30, 2018 and 2017:

	2018	2017
Temporarily Restricted Net Assets		
Grants - Warrior Wellness	\$ 0	\$ 15,000
Total Temporarily Restricted Net Assets	\$ 0	\$ 15,000

OPPORTUNITY KNOCKS INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 3 - NET ASSET RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2018	2017
Purpose Restriction Accomplished:		
Grants - Warrior Wellness	\$ 15,000	\$ 30,000
Total Restrictions Released	<u>\$ 15,000</u>	<u>\$ 30,000</u>

NOTE 4 - LINE OF CREDIT

As of June 30, 2018 and 2017, the Organization has a \$50,000 line of credit with Community Bank of Oak Park River Forest. The line of credit has an interest rate of 4.5% and matures November 15, 2018. The line of credit is also secured by assets of the Organization. No advances have been taken on the line of credit during the years ended June 30, 2018 and 2017, respectively. The line of credit has a balance of \$0 as of June 30, 2018 and 2017, respectively.

NOTE 5 - RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to current year presentation.

NOTE 6 - SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2018, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is October 26, 2018, the date the financial statements were available to be issued.