

OPPORTUNITY JUNCTION, INC.

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

YEAR ENDED JUNE 30, 2017

**(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016)**

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Patricia A. Wintroath, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Opportunity Junction, Inc.
Antioch, California 94509

I have audited the accompanying financial statements of Opportunity Junction, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Opportunity Junction, Inc. as of June 30, 2017, and the

changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

I have previously audited the Opportunity Junction, Inc.'s 2016 financial statements, and my report dated November 16, 2016, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 14, 2017, on my consideration of Opportunity Junction, Inc.'s internal control over financial reporting and on my 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 my 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 Junction, Inc.'s internal control over financial reporting and compliance.



Patricia A. Wintroath, CPA
Certified Public Accountant
Walnut Creek, CA

December 14, 2017

OPPORTUNITY JUNCTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds 2017</u>	<u>Total All Funds 2016</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$498,668	\$120,084	\$618,752	\$541,467
Accounts receivable (Note C)	3,495		3,495	9,831
Contracts & grants receivable (Note C)	184,522	75,000	259,522	133,153
Prepaid expenses	14,660		14,660	13,907
	<u>701,345</u>	<u>195,084</u>	<u>896,429</u>	<u>698,358</u>
TOTAL CURRENT ASSETS	701,345	195,084	896,429	698,358
FURNITURE AND EQUIPMENT, net (Note D)	15,917		15,917	24,367
DEPOSITS	18,000		18,000	18,000
	<u>\$735,262</u>	<u>\$195,084</u>	<u>\$930,346</u>	<u>\$740,725</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$16,816	\$	\$16,816	\$6,681
Accrued payroll	24,713		24,713	0
Accrued vacations	46,157		46,157	42,477
Deferred revenue (Note E)	0		0	4,290
Line of credit payable (Note F)			0	0
	<u>87,686</u>	<u>0</u>	<u>87,686</u>	<u>53,448</u>
TOTAL CURRENT LIABILITIES	87,686	0	87,686	53,448
COMMITMENTS AND CONTINGENCIES (Note J)				
NET ASSETS				
Unrestricted	307,576		307,576	238,413
Unrestricted - Board Designated Reserve	340,000		340,000	310,000
Temporarily restricted (Note G)		195,084	195,084	138,864
	<u>647,576</u>	<u>195,084</u>	<u>842,660</u>	<u>687,277</u>
TOTAL NET ASSETS	647,576	195,084	842,660	687,277
	<u>\$735,262</u>	<u>\$195,084</u>	<u>\$930,346</u>	<u>\$740,725</u>

OPPORTUNITY JUNCTION, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds 2017</u>	<u>Total All Funds 2016</u>
SUPPORT AND REVENUE				
Support:				
Corporations and foundations	\$371,991	\$659,700	\$1,031,691	\$916,239
Individuals	157,296		157,296	112,766
Fundraising, Net (Note H)	90,680		90,680	101,656
Total Support	<u>619,967</u>	<u>659,700</u>	<u>1,279,667</u>	<u>1,130,661</u>
Revenue:				
Government contracts	16,000	512,268	528,268	411,303
Project income	2,895		2,895	2,415
Outplacement income	37,740		37,740	20,990
Interest income	2,249		2,249	1,985
Unrealized gain (loss) on investments	0		0	15
Total Revenue	<u>58,884</u>	<u>512,268</u>	<u>571,152</u>	<u>436,708</u>
Net Assets Released From Restrictions	<u>1,115,748</u>	<u>(1,115,748)</u>	<u>0</u>	<u>0</u>
TOTAL SUPPORT AND REVENUE	<u>1,794,599</u>	<u>56,220</u>	<u>1,850,819</u>	<u>1,567,369</u>
EXPENSES				
Program services	1,434,227		1,434,227	1,402,950
Management and general	100,945		100,945	102,432
Fundraising	160,264		160,264	185,711
TOTAL EXPENSES	<u>1,695,436</u>	<u>0</u>	<u>1,695,436</u>	<u>1,691,093</u>
CHANGE IN NET ASSETS	99,163	56,220	155,383	(123,724)
NET ASSETS, beginning of year	<u>\$548,413</u>	<u>\$138,864</u>	<u>\$687,277</u>	<u>\$811,001</u>
NET ASSETS, end of year (Note B and G)	<u><u>\$647,576</u></u>	<u><u>\$195,084</u></u>	<u><u>\$842,660</u></u>	<u><u>\$687,277</u></u>

See Notes to Financial Statements

OPPORTUNITY JUNCTION, INC.**STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2017

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds 2017</u>	<u>Total All Funds 2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in Net Assets	\$99,163	\$56,220	\$155,383	(\$123,724)
Adjustment to reconcile change in net assets to cash provided (used) by operating activities:				
Depreciation	<u>9,650</u>		<u>9,650</u>	<u>12,532</u>
	108,813	56,220	165,033	(111,192)
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES				
(Increase) decrease in accounts receivable	6,336		6,336	(4,908)
(Increase) decrease in contracts receivable	(71,369)	(55,000)	(126,369)	(52,184)
(Increase) decrease in prepaid expenses	(753)		(753)	1,341
(Increase) decrease in deposits	0		0	0
Increase (decrease) in accounts payable	10,135		10,135	(21,929)
Increase (decrease) in accrued payroll	24,713			0
Increase (decrease) in accrued vacations	3,680		3,680	5,815
Increase (decrease) in deferred revenue	<u>(4,290)</u>		<u>(4,290)</u>	<u>(4,290)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>77,265</u>	<u>1,220</u>	<u>78,485</u>	<u>(187,347)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of equipment	<u>(1,200)</u>		<u>(1,200)</u>	<u>0</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,200)</u>	<u>0</u>	<u>(1,200)</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>76,065</u>	<u>1,220</u>	<u>77,285</u>	<u>(187,347)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>\$422,603</u>	<u>\$118,864</u>	<u>\$541,467</u>	<u>728,814</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$498,668</u></u>	<u><u>\$120,084</u></u>	<u><u>\$618,752</u></u>	<u><u>\$541,467</u></u>
SUPPLEMENTAL INFORMATION:				
Interest paid			<u><u>\$0</u></u>	<u><u>\$0</u></u>

OPPORTUNITY JUNCTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	JOB PLACEMENT AND TRAINING	TECHNOLOGY CENTER	TAX	ANTIOCH CAREER DEVELOPMENT	BAY POINT CAREER DEVELOPMENT	TOTAL PROGRAM	ADMINIS- TRATION	SUPPORT RAISING	TOTAL SUPPORT	2017 TOTAL EXPENSES	2016 TOTAL EXPENSES
Salaries	571,876	\$53,077	\$7,435	\$157,767	\$166,519	\$956,674	\$60,732	\$108,770	\$169,502	\$1,126,176	\$1,137,493
Payroll taxes	50,260	4,625	699	13,768	14,556	83,908	5,287	9,572	14,859	98,767	100,946
Employee benefits	58,113	5,901	258	15,837	23,607	103,716	8,486	9,877	18,363	122,079	125,582
TOTAL PERSONNEL	680,249	63,603	8,392	187,372	204,682	1,144,298	74,505	128,219	202,724	1,347,022	1,364,021
Professional fees	7,490	35	4	9,224	114	16,867	9,999	2,123	12,122	28,989	22,106
Advertising and marketing	2,366	249	20	544	635	3,814	203	1,492	1,695	5,509	4,672
Payroll processing	1,708	150	20	530	488	2,896	204	380	584	3,480	3,605
Participant expenses	36,129	92	1	28,116	826	65,164	14	26	40	65,204	55,051
Staff expenses	7,263	496	149	2,615	2,974	13,497	898	2,029	2,927	16,424	12,564
Volunteer appreciation	340	30	4	105	577	1,056	40	76	116	1,172	1,336
Dues, fees and subscriptions	4,935	213	28	880	1,476	7,532	620	858	1,478	9,010	12,585
Insurance	3,074	269	36	953	878	5,210	367	684	1,051	6,261	4,678
Postage	611	44	6	186	144	991	60	112	172	1,163	764
Telephone and internet	2,306	202	27	715	659	3,909	275	513	788	4,697	5,182
Occupancy	85,881	7,520	999	26,623	24,538	145,561	10,245	19,107	29,352	174,913	172,948
Office expense	7,330	630	79	2,094	1,930	12,063	806	1,503	2,309	14,372	13,528
Equipment and equipment repair	1,749	153	20	542	499	2,963	209	389	598	3,561	1,534
Depreciation	4,738	415	55	1,469	1,354	8,031	565	1,054	1,619	9,650	12,532
Miscellaneous	23			352		375	1,935	1,699	3,634	4,009	3,987
TOTAL EXPENSES	\$846,192	\$74,101	\$9,840	\$262,320	\$241,774	\$1,434,227	\$100,945	\$160,264	\$261,209	\$1,695,436	\$1,691,093

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE A - ORGANIZATION

General - Opportunity Junction, Inc. (the Organization), formerly known as Opportunities for Technology Information Careers, Inc., is a non-profit corporation incorporated under the laws of California in 1999. The Organization's purpose is to provide CalWORKs participants and other unemployed and underemployed Contra Costa residents with the skills, support and experience to become self-sufficient and succeed.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting - The Organization maintains its accounting records on the accrual basis of accounting.

Use of Estimates - In preparing financial statements in conformity with Generally Accepted Accounting Principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities as of the date of the financial statements; and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications - Certain reclassifications have been made in the 2016 comparative totals to conform to the classifications used in 2017.

Cash and Cash Equivalents - The Organization's cash and cash equivalents balance consists of amounts held in checking and savings accounts in several large financial institutions.

Prepaid expenses – Prepaid expenses are amortized over the period of future benefit.

Furniture and Equipment - Furniture and equipment are stated at cost. Expenditures for furniture and equipment, with a cost or basis of \$500 or greater, are capitalized and depreciated over three to ten years using the straight-line method. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss arising from such disposition is included as income or expense. Expenditures for repairs and maintenance are charged to expense as incurred.

Fair Value Measurements – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumption market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

Donated Materials and Services - Donated materials are recorded at their fair value at the date of donation. Donated services by individuals providing administration services are not recorded as donated services as there are no special skills required for these services.

Functional Allocation of Expenses - Costs of providing the programs, administrative duties and fundraising activities have been summarized on a functional basis in the accompanying statement of functional expenses. Certain indirect costs have been allocated directly to programs and administration based upon ratios determined by management. These costs primarily include salaries, fringe benefits, occupancy and other expenses.

Income Taxes - The Organization is a Section 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. There was no taxable unrelated business income during 2017.

Contributions and Grant Revenue - The Organization receives contributions and grants from corporations, foundations, charitable organizations and individuals. The Organization has adopted the provisions of Accounting Standards Codification FASB ASC 958-605 and FASB ASC-958-210-45.

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The provisions of FASB ASC 958-605-25 require the Organization to recognize contributions and grants as either temporarily or permanently restricted support, if they are received with donor stipulations that limit the use of the contribution or grant. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All other contributions are recognized upon receipt. Amounts received but not yet earned are reported as advances.

Financial Statement Presentation – Under Accounting Standards Codification (FASB ASC 958-210-45, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. Opportunity Junction currently has no assets that are permanently restricted.

Summarized Financial Information for 2016 - The financial information for the year ended June 30, 2016, is presented for comparative purposes, and is not intended to be a complete financial statement presentation.

NOTE C - ACCOUNTS, CONTRACTS AND GRANTS RECEIVABLE

Accounts receivable at June 30, 2017 represent funds earned but not yet received from the following activities:

<u>Accounts Receivable</u>	<u>Amount</u>
Outplacement Staffing	\$3,495
	<u>\$3,495</u>

Contracts and grants receivable at June 30, 2017 represent funds earned but not yet received from current contracts and grants as follows:

<u>Grantor</u>	<u>Amount</u>
Fresh Success	\$ 15,968
City of Antioch - CDBG	12,500
City of Pittsburg - CDBG	7,722
Contra Costa County - CDBG	21,713
Contra Costa County - CSBG	10,810
Contra Costa County - WDB - Bay Point	11,306
Contra Costa County – WAF Replication	2,711
Contra Costa County – WAF Roadmap	8,342

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE C - ACCOUNTS, CONTRACTS AND GRANTS RECEIVABLE (Continued)

<u>Grantor</u>	<u>Amount</u>
San Francisco Foundation	150,000
Sparkpoint	<u>18,450</u>
	<u>\$259,522</u>

The organization does not believe that an allowance for doubtful accounts is required for any of the accounts, contracts or grants receivable as of June 30, 2017.

NOTE D - FURNITURE AND EQUIPMENT

Furniture and equipment at June 30, 2017 consisted of the following:

Cost	\$89,606
Less: accumulated depreciation	<u>73,689</u>
	<u>\$15,917</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$9,650 and \$12,532, respectively.

NOTE E - DEFERRED REVENUE

There was no deferred revenue at June 30, 2017. Deferred revenue at June 30, 2016 represents funds received but not yet earned from the following sources:

<u>Grantor</u>	<u>Amount</u>
Peterson Properties Office Build-Out	
Rent Credit	<u>\$4,290</u>
Total deferred revenue	<u>\$4,290</u>

NOTE F – LINE OF CREDIT

The Organization obtained a line of credit with Wells Fargo Bank with a maximum borrowing limit of \$50,000. The outstanding balance at June 30, 2017 was \$0.

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017, the Organization’s temporarily restricted net assets consisted of the following grants:

California Wellness Foundation	\$50,250
San Francisco Foundation	143,750
Tipping Point Community	<u>1,084</u>
Total temporarily restricted net assets	<u>\$195,084</u>

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE H – FUNDRAISING REVENUE

The Organization's fundraising events and related expenditures for the years ended June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Annual Gala	\$118,605	\$126,862
Other special events	<u>71</u>	<u>0</u>
Total revenue	118,676	126,862
Fundraising expenses	<u>27,996</u>	<u>25,206</u>
Net fundraising revenue	<u>\$90,680</u>	<u>\$101,656</u>

NOTE I – CONCENTRATION OF RISK

The Organization receives significant amounts of revenue from governmental contracts. Should funding from these grants be changed due to a change in budgeting or due to cutbacks, such reduction in funding might have an adverse effect on the Organization's programs and activities.

The financial instruments, that potentially subject the Organization to concentrations of credit risk, consist principally of cash and temporary cash investments. Cash balances held at financial institutions were not in excess of federally insured limits. The Organization places its temporary cash investments with high-credit, high quality financial institutions, and by policy, limits the amount of credit exposure to any one financial institution. The Organization believes no significant concentration of credit risk exists with respect to these cash investments.

NOTE J – COMMITMENTS AND CONTINGENCIES

The Organization leases office space under an operating lease agreement that expires on January 31, 2019. The monthly base rent is \$9,655. The lease agreement also requires the Organization to pay a pro-rata share of expenses incurred by the property owners. Rent expense for the years ended June 30, 2017 and 2016 was \$154,087 and \$147,079, respectively. Future minimum lease payments are as follows:

<u>June 30,</u>	<u>Amount</u>
2018	\$132,005
2019	78,330

OPPORTUNITY JUNCTION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE J – COMMITMENTS AND CONTINGENCIES (Continued)

The Organization leases a copier under an operating lease agreement that expires on October 31, 2018. The monthly base rent is \$255. Rent expense for the years ended June 30, 2017 and 2016 was \$3,340 and \$3,340, respectively. Future minimum lease payments are as follows:

<u>June 30,</u>	<u>Amount</u>
2018	\$3,065
2019	1,022

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grant. Management is of the opinion that the organization has complied with the terms of all grants.

NOTE K – SUBSEQUENT EVENTS

These financial statements were approved by the management of the Organization and available for issuance on December 14, 2017. The Organization has evaluated subsequent events through December 14, 2017.

ADDITIONAL REPORTS



Patricia A. Wintroath, CPA

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*

Board of Directors
Opportunity Junction, Inc.
Antioch, California 94509

I 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 Junction, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Opportunity Junction, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Opportunity Junction, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Junction, Inc.'s financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my 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 my 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.



Patricia A. Wintroath, CPA
Walnut Creek, CA

December 14, 2017