

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Financial Statements and
Supplementary Information
February 28, 2023 and 2022
(With Independent Auditors' Report Thereon)

DELAWARE OPPORTUNITIES, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Delaware Opportunities, Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Delaware Opportunities, Inc. and Affiliates (collectively, the Organization) (a nonprofit organization), which comprise the consolidated statements of financial position as of February 28, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delaware Opportunities, Inc. and Affiliates as of February 28, 2023 and 2022 and the consolidated changes in their net assets and their consolidated cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in note 1(p) and note 10 to the financial statements, the Organization adopted ASC 842 Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information included in schedule 1 is presented for purposes of additional analysis and is not a required part of the consolidated financial statement. The accompanying schedule of expenditures of federal awards, 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 (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 accompanying supplemental information is fairly stated, in all material respects, in relation to the consolidated 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 September 26, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Organization's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 26, 2023

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statements of Financial Position
February 28, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and equivalents	\$ 3,131,474	2,655,502
Receivables	2,293,093	1,719,728
Prepaid expenses	18,378	100,855
Inventories, at cost	<u>52,752</u>	<u>34,815</u>
Total current assets	<u>5,495,697</u>	<u>4,510,900</u>
Investments, at fair value	<u>1,049,720</u>	<u>1,605,475</u>
Right-of-use asset, operating lease	126,001	-
Property and equipment, at cost	5,757,798	5,485,760
Less accumulated depreciation	<u>(3,955,611)</u>	<u>(3,781,291)</u>
Net property and equipment	<u>1,802,187</u>	<u>1,704,469</u>
Construction in progress	<u>133,380</u>	<u>10,000</u>
Total assets	<u>\$ 8,606,985</u>	<u>7,830,844</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	134,275	164,282
Accrued payroll and taxes	582,961	538,482
Accrued expenses	410,907	430,088
Current installments of operating lease liabilities	32,694	-
Program advances	<u>911,330</u>	<u>416,932</u>
Total current liabilities	2,072,167	1,549,784
Operating lease, net of current installments	<u>93,307</u>	<u>-</u>
Total liabilities	<u>2,165,474</u>	<u>1,549,784</u>
Net assets:		
Without donor restrictions	5,865,817	5,657,977
With donor restrictions	<u>575,694</u>	<u>623,083</u>
Total net assets	6,441,511	6,281,060
Contingency (note 14)	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 8,606,985</u>	<u>7,830,844</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Consolidated Statement of Activities
Year ended February 28, 2023
with comparative totals for 2022

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Revenue:				
Fees and grants from governmental agencies	\$ 14,552,301	11,638	14,563,939	13,338,146
WIC food instruments and commodities	-	-	-	185
Contributed nonfinancial assets	408,403	-	408,403	408,941
Program revenue	511,500	-	511,500	490,957
Contributions	30,438	89,396	119,834	65,410
Interest	36,914	341	37,255	46,845
Miscellaneous	75,356	31,872	107,228	153,361
Net assets released from restrictions through satisfaction of program restrictions	<u>180,636</u>	<u>(180,636)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>15,795,548</u>	<u>(47,389)</u>	<u>15,748,159</u>	<u>14,503,845</u>
Expenses:				
Program services	14,424,480	-	14,424,480	13,637,278
Management and general	<u>1,110,761</u>	<u>-</u>	<u>1,110,761</u>	<u>1,074,831</u>
Total expenses	<u>15,535,241</u>	<u>-</u>	<u>15,535,241</u>	<u>14,712,109</u>
Change in net assets before nonoperating revenue (expense)	<u>260,307</u>	<u>(47,389)</u>	<u>212,918</u>	<u>(208,264)</u>
Nonoperating revenue (expenses):				
Gain (loss) on disposal of property and equipment	(2,143)	-	(2,143)	28,620
Realized gain on investments	4,881	-	4,881	5,910
Unrealized loss on investments	<u>(55,205)</u>	<u>-</u>	<u>(55,205)</u>	<u>(64,181)</u>
Total nonoperating revenue (expenses)	<u>(52,467)</u>	<u>-</u>	<u>(52,467)</u>	<u>(29,651)</u>
Change in net assets	207,840	(47,389)	160,451	(237,915)
Net assets at beginning of year	<u>5,657,977</u>	<u>623,083</u>	<u>6,281,060</u>	<u>6,518,975</u>
Net assets at end of year	<u>\$ 5,865,817</u>	<u>575,694</u>	<u>6,441,511</u>	<u>6,281,060</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Activities
Year ended February 28, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenue:			
Fees and grants from governmental agencies	\$ 13,334,761	3,385	13,338,146
WIC food instruments and commodities	185	-	185
Contributed nonfinancial assets	408,941	-	408,941
Program revenue	490,957	-	490,957
Contributions	13,193	52,217	65,410
Interest	46,845	-	46,845
Miscellaneous	131,130	22,231	153,361
Net assets released from restrictions through satisfaction of program restrictions	<u>104,478</u>	<u>(104,478)</u>	<u>-</u>
Total revenue	<u>14,530,490</u>	<u>(26,645)</u>	<u>14,503,845</u>
Expenses:			
Program services	13,637,278	-	13,637,278
Management and general	<u>1,074,831</u>	<u>-</u>	<u>1,074,831</u>
Total expenses	<u>14,712,109</u>	<u>-</u>	<u>14,712,109</u>
Change in net assets before nonoperating revenue (expense)	<u>(181,619)</u>	<u>(26,645)</u>	<u>(208,264)</u>
Nonoperating revenue (expenses):			
Gain on disposal of property and equipment	28,620	-	28,620
Realized gain on investments	5,910	-	5,910
Unrealized loss on investments	<u>(64,181)</u>	<u>-</u>	<u>(64,181)</u>
Total nonoperating revenue (expenses)	<u>(29,651)</u>	<u>-</u>	<u>(29,651)</u>
Change in net assets	(211,270)	(26,645)	(237,915)
Net assets at beginning of year	<u>5,869,247</u>	<u>649,728</u>	<u>6,518,975</u>
Net assets at end of year	<u><u>\$ 5,657,977</u></u>	<u><u>623,083</u></u>	<u><u>6,281,060</u></u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Functional Expenses
Year ended February 28, 2023
with comparative totals for 2022

	Program Services								Total Program Services	Management and General	Total	
	Early Childhood and Family Development	Crime Victims and Prevention	Education	Community	Housing	Economic Self- Sufficiency	Health and Nutrition	Other			2023	2022
Personnel expenses:												
Salaries	\$ 1,012,788	403,033	1,338,581	427,171	553,065	295,741	1,750,239	63,661	5,844,279	738,371	6,582,650	6,170,772
Employee benefits and payroll taxes	310,945	123,739	410,969	131,149	169,801	90,799	537,353	22,435	1,797,190	236,275	2,033,465	2,198,303
Total personnel expenses	<u>1,323,733</u>	<u>526,772</u>	<u>1,749,550</u>	<u>558,320</u>	<u>722,866</u>	<u>386,540</u>	<u>2,287,592</u>	<u>86,096</u>	<u>7,641,469</u>	<u>974,646</u>	<u>8,616,115</u>	<u>8,369,075</u>
Other expenses:												
Payments for benefits of individuals	142,286	993	22,882	167,802	1,743,032	277,802	649,631	-	3,004,428	-	3,004,428	2,858,060
Other direct expenses	38,551	18,179	52,971	8,406	23,905	5,953	21,047	3,767	172,779	16,544	189,323	153,162
Travel	47,427	35,365	17,198	27,607	26,120	28,992	219,924	9,840	412,473	-	412,473	331,813
Supplies	34,715	38,815	207,043	6,262	184,762	20,382	628,021	60,931	1,180,931	6,187	1,187,118	1,080,151
Contractual and consultants	8,362	57,193	17,220	3,662	8,275	1,562	11,597	3,658	111,529	17,141	128,670	167,124
Insurance	32,218	14,189	30,610	15,754	43,492	9,060	49,776	3,383	198,482	22,267	220,749	193,715
Occupancy	58,494	31,860	118,373	17,015	51,680	9,145	220,988	-	507,555	62,638	570,193	569,841
Contributed nonfinancial assets	-	25,963	257,048	125,392	-	-	-	-	408,403	-	408,403	408,941
Other	2,753	202,183	3,235	82,186	261,440	1,403	15,575	7,577	576,352	11,338	587,690	346,456
Total other expenses	<u>364,806</u>	<u>424,740</u>	<u>726,580</u>	<u>454,086</u>	<u>2,342,706</u>	<u>354,299</u>	<u>1,816,559</u>	<u>89,156</u>	<u>6,572,932</u>	<u>136,115</u>	<u>6,709,047</u>	<u>6,109,263</u>
Depreciation	-	-	-	-	-	-	181,455	28,624	210,079	-	210,079	233,771
Total functional expenses	<u>\$ 1,688,539</u>	<u>951,512</u>	<u>2,476,130</u>	<u>1,012,406</u>	<u>3,065,572</u>	<u>740,839</u>	<u>4,285,606</u>	<u>203,876</u>	<u>14,424,480</u>	<u>1,110,761</u>	<u>15,535,241</u>	<u>14,712,109</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Functional Expenses
Year ended February 28, 2022

	Program Services								Total Program Services	Management and General	Total
	Early Childhood and Family Development	Crime Victims and Prevention	Education	Community	Housing	Economic Self- Sufficiency	Health and Nutrition	Other			
Personnel expenses:											
Salaries	\$ 1,103,610	377,271	1,294,592	372,593	242,403	308,670	1,701,623	94,540	5,495,302	675,470	6,170,772
Employee benefits and payroll taxes	<u>396,821</u>	<u>135,364</u>	<u>464,497</u>	<u>130,097</u>	<u>87,121</u>	<u>110,180</u>	<u>611,227</u>	<u>23,336</u>	<u>1,958,643</u>	<u>239,660</u>	<u>2,198,303</u>
Total personnel expenses	<u>1,500,431</u>	<u>512,635</u>	<u>1,759,089</u>	<u>502,690</u>	<u>329,524</u>	<u>418,850</u>	<u>2,312,850</u>	<u>117,876</u>	<u>7,453,945</u>	<u>915,130</u>	<u>8,369,075</u>
Other expenses:											
Payments for benefits of individuals	156,340	2,115	-	194,307	1,542,897	273,154	689,247	-	2,858,060	-	2,858,060
Other direct expenses	30,276	4,345	33,768	5,697	17,043	2,367	24,350	9,109	126,955	26,207	153,162
Travel	54,516	3,400	33,919	12,398	-	20,197	201,402	5,981	331,813	-	331,813
Supplies	54,407	60,998	183,679	14,366	43,526	20,331	663,115	33,053	1,073,475	6,676	1,080,151
Contractual and consultants	14,760	5,613	29,539	5,566	12,862	1,824	41,191	35,176	146,531	20,593	167,124
Insurance	27,372	16,247	40,886	15,404	15,098	7,849	47,971	3,424	174,251	19,464	193,715
Occupancy	110,410	49,619	152,051	20,990	27,372	26,049	107,227	-	493,718	76,123	569,841
Contributed nonfinancial assets	-	25,732	268,526	114,683	-	-	-	-	408,941	-	408,941
Other	<u>306</u>	<u>25,504</u>	<u>680</u>	<u>38,709</u>	<u>138,892</u>	<u>56,769</u>	<u>32,576</u>	<u>42,382</u>	<u>335,818</u>	<u>10,638</u>	<u>346,456</u>
Total other expenses	<u>448,387</u>	<u>193,573</u>	<u>743,048</u>	<u>422,120</u>	<u>1,797,690</u>	<u>408,540</u>	<u>1,807,079</u>	<u>129,125</u>	<u>5,949,562</u>	<u>159,701</u>	<u>6,109,263</u>
Depreciation	-	-	-	-	-	-	201,918	31,853	233,771	-	233,771
Total functional expenses	<u>\$ 1,948,818</u>	<u>706,208</u>	<u>2,502,137</u>	<u>924,810</u>	<u>2,127,214</u>	<u>827,390</u>	<u>4,321,847</u>	<u>278,854</u>	<u>13,637,278</u>	<u>1,074,831</u>	<u>14,712,109</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statements of Cash Flows
Years ended February 28, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 160,451	(237,915)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	210,079	233,771
Unrealized and realized loss on investments	50,324	58,271
Loss (gain) on disposal of equipment	2,143	(28,620)
Changes in:		
Receivables	(573,365)	284,896
Prepaid expenses	82,477	9,401
Inventories, at cost	(17,937)	11,005
Accounts payable	(30,007)	15,982
Accrued payroll and taxes	44,479	92,281
Accrued expenses	(19,181)	5,954
Program advances	<u>494,398</u>	<u>58,223</u>
Net cash provided by operating activities	<u>403,861</u>	<u>503,249</u>
Cash flows from investing activities:		
Additions to property and equipment	(433,320)	(142,354)
Purchase of investments, net of proceeds	-	(83,955)
Withdrawal of investments	<u>505,431</u>	<u>447,498</u>
Net cash provided by investing activities	<u>72,111</u>	<u>221,189</u>
Change in cash and equivalents	475,972	724,438
Cash and equivalents at beginning of year	<u>2,655,502</u>	<u>1,931,064</u>
Cash and equivalents at end of year	<u>\$ 3,131,474</u>	<u>2,655,502</u>
Supplemental schedule of cash flow information:		
Disposal of fully depreciated property and equipment	<u>\$ 35,759</u>	<u>306,573</u>
Cash paid for amounts included in measurement of lease liability - operating lease payments	<u>\$ 32,445</u>	<u>-</u>
Lease assets obtained in exchange for lease liabilities - operating leases	<u>\$ 158,446</u>	<u>-</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Notes to Consolidated Financial Statements
February 28, 2023 and 2022

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Delaware Opportunities, Inc.

Delaware Opportunities, Inc. (DO) is a nonprofit organization incorporated under the laws of the State of New York in January 1966. The Organization provides comprehensive services to people in need in Delaware County, New York (the County). As a community action agency, it administers programs designed to help people become self sufficient and/or obtain a better quality of life. Services are directed to the entire needy population. These services include advocacy to assure that needy persons receive services they require, program development to assure that services are available, public information to assure that the public is aware of ways in which their needs can be met, coordination and collaboration with other service providers to assure that service delivery is maximized and made as efficient as possible, and the operation of programs which meet the daily needs of the citizenry.

Advance Delaware Opportunities Objectives, Inc.

Advance Delaware Opportunities Objectives, Inc. (ADOO) is a nonprofit corporation that was formed for the purpose of managing and maintaining equipment for the benefit of Delaware Opportunities, Inc.

Housing Company for Delaware County, Inc.

Housing Company for Delaware County, Inc. (HCOD) is a corporation formed to be a general partner of Sidney Housing Recovery, L.P., a low-income housing project. HCOD's sole member is Delaware Opportunities, Inc.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of DO, ADOO and HCOD (collectively known as the Organization). All significant intercompany accounts and transactions have been eliminated.

(c) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Organization's Board of Directors.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions and/or the passage of time and net assets restricted in perpetuity.

(e) Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) Cash and Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and equivalents.

(g) Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

(h) Investments

Investments are presented in the consolidated financial statements at fair market value. Fair market value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 3 for a discussion on fair value measurements. Realized and unrealized gains and losses are recorded in the consolidated statements of activities and changes in net assets.

(i) Receivables and Bad Debts

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated equipment. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statements of activities.

(k) Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Organization compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At February 28, 2023 and 2022, no impairment in value has been recognized by the Organization.

(l) Program Advances and Revenue Recognition

The Organization recognizes grants and contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization generally accounts for contracts revenue as exchange transactions in the consolidated statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each program are used as guidance. Unexpended contract funds are recorded as grants or contract payables at the end of the contract period. Funds received in advance of their use are accounted for as advance payments in the consolidated statement of financial position.

(m) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for these goods or services. The Organization utilizes a five-step framework as identified in ASU No. 2014-09. The primary sources of revenue from contracts with customers for the Organization are as follows:

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Contracts with Customers, Continued

1. Office for People with Developmental Disabilities (OPWDD) services are provided by the Organization for people with developmental disabilities. Participant service fees consist of a single performance obligation and revenue is typically recognized when the unit of service is provided. Self-Directed, Community Habilitation, Non-Medicaid Service Coordination, Respite and Recreation and In-Home and Recreational Respite services are recorded in accordance with OPWDD service rates and units of service guidance at the time the service is provided.
2. Transportation services are provided by the Organization throughout Delaware County. Fees consist of a single performance obligation. Revenue is typically recognized at the time the service occurs. Fees are generally non-refundable and billed monthly at the Medicaid determined rate of \$2.25/mile plus \$10 pick-up and drop-off fees per actual transportation services that were provided. Payment is typically due within 30 days of the invoice date.
3. The Organization runs a Domestic Violence Shelter for Delaware County. From time-to-time, when the shelter has room, the agency will get a request to house an individual or family from another county. That county reimburses, based on a set rate for that county, for bed nights. The Organization generates revenue for housing these out-of-county individuals.

Accounts receivable and deferred revenue from contracts with customers were as follows at February 28:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ <u>71,593</u>	<u>43,256</u>	<u>30,847</u>
Program advances	\$ <u>159,579</u>	<u>-</u>	<u>-</u>

(n) Recent Accounting Standards Issued

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These consolidated financial statements and notes reflect retroactive adoption of this new standard.

(o) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Changes in Accounting Principle

In 2022, the Organization adopted ASC 842 Leases. ASC 842 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities. The Organization elected to apply this standard on a modified retrospective transition approach for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. Entities have the option to continue to apply historical accounting under Topic 840, including its disclosure requirements, in comparative periods presented in the year of adoption.

The adoption had a material impact on the Organization's consolidated statement of financial position but did not have a material impact on the consolidated statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Organization to restate amounts as of March 1, 2022, resulting in an increase in operating lease ROU assets and operating lease liabilities of \$158,446.

(q) Subsequent Events

The Organization has evaluated subsequent events through the date of the report which is the date the consolidated financial statements were available to be issued.

(r) Income Taxes

DO and ADOO are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the consolidated financial statements. DO and ADOO have been classified as publicly supported organizations that are not private foundations under Section 509(a) of the Code. The Organization discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in the consolidated financial statements. U.S. Forms 990 filed by DO and the Affiliates are subject to examination by taxing authorities.

HCOD is a corporation subject to income taxes. The corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the corporation has taken no uncertain tax positions that require adjustment in its consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(s) Reclassification

Reclassifications have been made to certain 2022 balances in order to conform them to the 2023 presentation.

(2) Liquidity

The Organization has \$5,424,567 of financial assets available within one year of the consolidated statements of financial position date consisting of \$3,131,474 of cash and \$2,293,093 of receivables. As of February 28, 2023, \$575,694 is restricted for use for various other programs operated by the Organization. Additionally, the Organization has available \$1,049,720 in investments at February 28, 2023, however use of the investments for operating purposes is subject to approval by the Board of Directors.

(3) Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(3) Fair Value Measurements, Continued

Following is a description of the valuation methodologies used for assets measured at fair value.

There have been no changes in the methodologies used at February 28, 2023.

- Certificates of deposit, corporate and U.S. Treasury bonds, mutual funds and common stock - Valued at the closing price reported on the active market on which the certificates of deposit, individual bonds, funds and stocks are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of February 28, 2023 and 2022:

	<u>Assets at Fair Value as of February 28, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 657,438	-	-	657,438
Corporate bonds	-	142,282	-	142,282
Mutual funds	136,036	-	-	136,036
Common stock	110,622	-	-	110,622
Foreign equities	<u>3,342</u>	<u>-</u>	<u>-</u>	<u>3,342</u>
Total assets at fair value	\$ <u>907,438</u>	<u>142,282</u>	<u>-</u>	<u>1,049,720</u>

	<u>Assets at Fair Value as of February 28, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 1,118,483	-	-	1,118,483
Corporate bonds	-	199,333	-	199,333
Mutual funds	158,997	-	-	158,997
Common stock	125,174	-	-	125,174
Foreign equities	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>3,488</u>
Total assets at fair value	\$ <u>1,406,142</u>	<u>199,333</u>	<u>-</u>	<u>1,605,475</u>

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(3) Fair Value Measurements, Continued

The composition of investments returns (losses) for the years ended February 28, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Interest	\$ 37,255	46,845
Unrealized loss on investments	(55,205)	(64,181)
Realized gain on investments	<u>4,881</u>	<u>5,910</u>
Total investment return (loss)	\$ <u>(13,069)</u>	<u>(11,426)</u>

(4) Certificates of Deposit

Certificates of deposit at February 28, 2023 and 2022 are considered to be level 1 assets as described in note 3 consist of the following:

	<u>2023</u>	<u>2022</u>
1.60% due April 8, 2025	\$ 23,309	24,846
2.45% due October 15, 2024	23,991	25,475
3.50% due November 7, 2023	99,004	103,566
3.50% due November 7, 2023	99,003	103,571
2.45% due October 13, 2023	24,620	25,454
3.40% due October 3, 2023	49,552	51,654
1.40% due April 17, 2023	74,705	75,331
1.80% due November 29, 2022	-	100,886
3.35% due November 9, 2022	-	101,916
3.35% due November 7, 2022	-	101,903
0.55% due October 22, 2023	263,254	262,597
3.15% due September 14, 2022	-	50,718
2.40% due September 13, 2022	-	20,206
2.30% due July 28, 2022	-	20,158
3.00% due April 21, 2022	<u>-</u>	<u>50,202</u>
	\$ <u>657,438</u>	<u>1,118,483</u>

(5) Receivables

Receivables amounted to \$2,293,093 and \$1,719,728 as of February 28, 2023 and 2022, respectively. These amounts represent the amounts the Organization was due from funding sources for expenditures incurred or services rendered in excess of payments received.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(6) Property and Equipment

Property and equipment at February 28, 2023 and 2022 are summarized as follows:

	2023		
	Delaware Opportunities, <u>Inc.</u>	<u>ADOO</u>	<u>Total</u>
Land	\$ 138,089	-	138,089
Building and improvements	2,749,102	-	2,749,102
Equipment	618,481	136,047	754,528
Vehicles	<u>1,722,198</u>	<u>393,881</u>	<u>2,116,079</u>
	5,227,870	529,928	5,757,798
Less accumulated depreciation	<u>(3,436,002)</u>	<u>(519,609)</u>	<u>(3,955,611)</u>
	<u>\$ 1,791,868</u>	<u>10,319</u>	<u>1,802,187</u>
	2022		
	Delaware Opportunities, <u>Inc.</u>	<u>ADOO</u>	<u>Total</u>
Land	\$ 138,089	-	138,089
Building and improvements	2,743,126	-	2,743,126
Equipment	593,667	136,047	729,714
Vehicles	<u>1,480,950</u>	<u>393,881</u>	<u>1,874,831</u>
	4,955,832	529,928	5,485,760
Less accumulated depreciation	<u>(3,271,428)</u>	<u>(509,863)</u>	<u>(3,781,291)</u>
	<u>\$ 1,684,404</u>	<u>20,065</u>	<u>1,704,469</u>

(7) Compensated Absences

Included in accrued expenses is the Organization's liability for future payments of accrued vested vacation wages which amounted to \$342,045 and \$368,429 at February 28, 2023 and 2022, respectively. Under the terms of the existing personnel manual, the Organization's employees receive annual vacation leave. The number of days allowed is dependent upon the employees' years of service. Vacation leave represents the only leave paid to employees upon termination.

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(8) Program Advances

Program advances amounted to \$911,330 and \$416,932 at February 28, 2023 and 2022, respectively. This amount represents cash provided to the Organization in advance of the period to be benefited in order to provide working capital for the operation of various programs.

(9) Pension Plan

The Organization maintains a qualified contributory defined contribution retirement plan established under Section 403(b) of the Code for all employees meeting minimum age and length of service requirements. The Organization is not obligated to match the eligible participants' contribution to the plan. The Organization recorded expense relating to the plan amounting to \$74,445 and \$335,911 for the years ended February 28, 2023 and 2022, respectively.

(10) Right-of-Use Assets - Lease Liabilities

The Organization leases space in Delaware County, New York under operating leases and has elected the practical expedient not to separate lease and nonlease components for all lease transactions. The Organization also has certain leases for other property that contain variable lease payments and lease with terms less than 12 months. The Organization has elected to recognize these lease expenses on the straight-line basis or when incurred. The leases provide for monthly payments of various amounts through August . The lease inception or period of adoption, unless explicitly stated, is in accordance with the Organization's accounting policies. Additional information about the Organization's leases are as follows:

Operating leases - program services - rent	\$ 38,426
Short term leases - program services - rent	100,645
Variable leases - program services - rent	<u>48,984</u>
Total lease expense	\$ <u>188,055</u>
Weighted Averages:	
Remaining lease term - operating leases	4.58 years
Discount rate - operating leases	4.12%

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(10) Right-of-Use Assets - Lease Liabilities, Continued

The aggregate maturity of the lease payments under ASC 842 for the five years following February 28, 2023 and thereafter is as follows:

		<u>Operating</u>
2024	\$	38,426
2025		38,426
2026		33,355
2027		8,000
2028		8,000
Thereafter		<u>11,200</u>
		137,407
Less unamortized discount		<u>(11,406)</u>
Total lease liabilities	\$	<u>126,001</u>
Leases liabilities - operating leases:		
Current installments	\$	32,694
Noncurrent installments		<u>93,307</u>
Total lease liabilities	\$	<u>126,001</u>

The aggregate maturity of the lease payments under ASC 840 for the five years following February 28, 2022 is as follows:

		<u>Operating</u>
2023	\$	38,426
2024		38,426
2025		38,426
2026		33,355
2027		8,000
Thereafter		<u>19,200</u>
	\$	<u>175,833</u>

(11) Functional Expenses

The Organization provides an array of community based programs and services designed to strengthen and improve the quality of life for families in Delaware County, New York. All expenses related to providing these services have been allocated to program services with the exception of certain administrative expenses. Salaries and benefits are allocated among programs and support services based on time and effort. Office and other expenses are allocated based on direct usage.

DELAWARE OPPORTUNITIES, INC.
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Notes to Consolidated Financial Statements, Continued

(12) Contributed Nonfinancial Assets

For the years ended February 28, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2023</u>	<u>2022</u>
Contributed professional services	\$ 41,445	56,953
Contributed assets	213,965	198,995
Contributed space	<u>152,993</u>	<u>152,993</u>
Total	\$ <u>408,403</u>	<u>408,941</u>

Contributed assets are reflected upon receipt and are recorded at cost or estimated cost, where practicable, as expenses and are allocated between program and management and general. Contributions of professional services are recognized if the goods received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed space represents the Organization's share of buildings in which the Organization operates. For the years ended February 28, 2023 and 2022, the Organization also received various non-GAAP volunteer services, including assistance with various program activities that the Organization would ordinarily need to pay for if not for the strength of the Organization's volunteers.

(13) Net Assets With Donor Restrictions

Net assets with donor restrictions amounting to \$575,694 and \$623,083 at February 28, 2023 and 2022, respectively, are restricted for use in various programs as specified by the respective donors. Net assets of \$180,636 and \$104,478 were released from donor restrictions during the years ended February 28, 2023 and 2022, respectively, through the satisfaction of donor stipulations.

(14) Contingency

Under the terms of various grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the grantor agencies. Management believes that it would be able to provide support acceptable to the grantor and that any disallowances would not be material.

(15) Litigation

The Organization is involved in various claims and lawsuits against the Organization arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Organization's consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
New York State Division of Housing and Community Renewal -
Rural Preservation Program
Schedule of Revenue and Expenses
For the year ended June 30, 2022 and the eight months ended February 28, 2023

	<u>July 1, 2021 - February 28, 2022</u>	<u>March 1, 2022 - June 30, 2022</u>	<u>Total</u>	<u>July 1, 2022 - February 28, 2023</u>
Revenue	\$ 65,718	24,110	89,828	61,137
Expenses:				
Salaries	43,591	14,547	58,138	39,471
Fringe benefits	14,822	4,655	19,477	12,631
Insurance/bonding	110	1,342	1,452	136
Professional services	1,065	-	1,065	432
Rent/mortgage/utilities	788	353	1,141	1,032
Telephone	255	125	380	465
Office supplies	160	244	404	112
Printing/postage	1,464	597	2,061	1,490
Travel	738	478	1,216	1,977
Staff development/training	88	476	564	593
Service agreements and maintenance	1,836	599	2,435	1,380
Advertising and bids	-	15	15	-
Other	801	679	1,480	1,418
Total expenses	<u>\$ 65,718</u>	<u>24,110</u>	<u>89,828</u>	<u>61,137</u>

DELAWARE OPPORTUNITIES, INC.
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Schedule of Expenditures of Federal Awards
Year ended February 28, 2023

<u>Federal Grantor/Passed Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Passed Through Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Agriculture:				
Pass-through New York State Department of Health - Special Supplemental Nutrition Program:				
Women, Infants and Children	10.557	Food instruments	\$ 585,093	-
Women, Infants and Children	10.557	C-35439GG	388,593	-
			<u>973,686</u>	<u>-</u>
Child and Adult Care Food Program - Head Start	10.558	2053	83,191	-
Child and Adult Care Food Program - Family Day Care	10.558	2070	153,522	-
			<u>236,713</u>	<u>-</u>
Farm to School	10.575	USDAFNF2STKPLFY22NY1	1,751	-
Hunger Solutions - NOEP	10.561	N/A	62,135	-
Total U.S. Department of Agriculture			<u>1,274,285</u>	<u>-</u>
U.S. Department of Treasury - Emergency Rental Assistance Program - American Rescue Plan				
	21.023	C00624GG	68,186	-
U.S. Department of Housing and Urban Development:				
Pass-through New York State Department of Housing and Community Renewal - Housing Council Assistance Program	14.169	N/A	33,515	-
Pass-through New York State Office of Temporary and Disability Services - Emergency Solutions Grant Program - CARES Act	14.231	C00624GG	82,376	-
Pass-through New York State Homes and Community: Access to Home Program	14.239	202113043	130,955	-
Restore Program	14.239	20213044	150,000	-
			<u>280,955</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>396,846</u>	<u>-</u>
U.S. Department of Justice:				
Pass-through New York State Office of Victim Services:				
OVS	16.575	C-10944GG	136,727	-
OVS	16.575	C-11249GG	170,146	-
Case Manager	16.575	C-10718GG	32,834	-
Legal Aid	16.575	C-11147GG	145,258	-
			<u>484,965</u>	<u>-</u>

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Passed Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Passed Through Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Justice, Continued:				
Pass-through New York State Office for Prevention of Domestic Violence - Safe Housing Options	16.575	C00063GG	\$ 25,721	-
Pass-through New York State Office of Children and Family Services - MDT CAC Mobile Unit	16.575	C029376	17,706	-
			528,392	-
Pass-through New York State Division of Criminal Justice Services - STOP Program	16.588	C00252GG	23,645	-
Total U.S. Department of Justice			552,037	-
U.S. Department of Energy - Pass-through New York State Division of Housing and Community Renewal:				
Weatherization Assistance Program	81.042	C093250-21	46,076	-
Weatherization Assistance Program	81.042	C095250-22	266,644	-
Total U.S. Department of Energy			312,720	-
U.S. Department of Health and Human Services:				
Head Start	93.600	02CH011963	2,283,887	-
Head Start - COVID-19	93.600	02HE000072-C5	12,116	-
Head Start - American Rescue Plan	93.600	02HE000072-C6	44,884	-
			2,340,887	-
Pass-through Delaware County Office of the Aging:				
Special Programs for the Aging Title III Part C1 Nutrition Services	93.045	OFA	84,319	-
Special Programs for the Aging Title III Part C2 Nutrition Services	93.045	OFA	46,805	-
PHC6 - COVID-19	93.045	OFA	7,590	-
HDC5 - COVID-19	93.045	OFA	27,727	-
CMC6 - COVID-19	93.045	OFA	49,381	-
			215,822	-
SSC6 - COVID-19	93.044	OFA	76,479	-
FCC6 - COVID-19	93.052	OFA	25,410	-
Pass-through New York State Division of Housing and Community Renewal:				
Low Income Home Energy Assistance	93.568	C93250-21	186,748	-
Low Income Home Energy Assistance	93.568	C93250-22	205,132	-
			391,880	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Passed Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Passed Through Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Health and Human Services, Continued:				
Pass-through New York State Office of Children and Family Services:				
Child Care and Development Grant - Legally Exempt	93.575	C028254	\$ 56,994	-
Child Care and Development Grant - Child Care	93.575	C028239	69,167	-
CCRR Stabilization	93.575	T012675	96,580	-
			<u>222,741</u>	<u>-</u>
Healthy Families of New York	93.558	C029442	248,912	-
Franklin Head Start Stabilization	93.558	N/A	3,968	-
Fishs Eddy Head Start Stabilization	93.558	N/A	2,170	-
Arkville Head Start Stabilization	93.558	N/A	313	-
Walton Head Start Stabilization	93.558	N/A	4,351	-
Deposit Head Start Stabilization	93.558	N/A	6,300	-
Arkville Head Start Stabilization 2.0	93.558	N/A	10,812	-
Deposit Head Start Stabilization 2.0	93.558	N/A	10,578	-
Delhi Head Start Stabilization 2.0	93.558	N/A	11,162	-
Davenport Head Start Stabilization 2.0	93.558	N/A	12,265	-
Sidney Head Start Stabilization 2.0	93.558	N/A	13,700	-
Walton Head Start Stabilization 2.0	93.558	N/A	13,700	-
Franklin Head Start Stabilization 2.0	93.558	N/A	10,287	-
Fishs Eddy Head Start Stabilization 2.0	93.558	N/A	10,886	-
			<u>359,404</u>	<u>-</u>
MDT CAC Mobile Unit	93.669	C029376	8,179	-
			<u>590,324</u>	<u>-</u>
Pass-through New York State Office for Prevention of Domestic Violence - Pandemic Emergency Assistance Fund	93.558	T00113GG	180,471	-
Pass-through Delaware County Department of Social Services:				
TANF FFFS (Employment and Training)	93.558	DSS	264,950	-
TANF (NR DV-Expansion)	93.558	DSS	47,992	-
TANF (Wheels for Work)	93.558	DSS	28,955	-
			<u>341,897</u>	<u>-</u>
Child Care and Development Grant - Discretionary	93.575	DSS	67,129	-
Low Income Home Energy Assistance - HEAP	93.568	DSS	132,652	-
			<u>541,678</u>	<u>-</u>
Baby Bundle	93.434	T012508	5,724	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Passed Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Passed Through Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Health and Human Services, Continued:				
Child Care Mandatory and Matching Funds - Daycare Social Services Block Grant (Serv. for Recipients/Title XX) - Big Buddy	93.596	DSS	\$ 196,318	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Parent Education	93.667	DSS	3,084	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Non Res. DV & Res. DV	93.667	DSS	152,611	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Youth Engagement Specialist	93.667	DSS	115,846	-
Social Services Block Grant (Serv. for Recipients/Title XX) - AOFH-FR Preventive	93.667	DSS	13,258	-
			<u>155,503</u>	-
			440,302	-
Chafee Foster Care Independence Program	93.674	DSS	<u>35,199</u>	-
Pass-through New York State Department of State:				
Community Services Block Grant	93.569	C1001461	249,326	-
Community Services Block Grant	93.569	Discretionary	45,000	-
Community Services Block Grant - CARES Act	93.569	C1001794	<u>134,521</u>	-
			428,847	-
Pass-through New York State Child and Family Services:				
Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States	93.671	C-028833	51,384	-
FVPSA - CARES Act	93.671	N/A	10,856	-
FVPA DV - COVID-19	93.671	N/A	905	-
FVPSA - American Rescue Plan	93.671	C029162	<u>1,122</u>	-
			64,267	-
Total U.S. Department of Health and Human Services			<u>5,533,608</u>	-
U.S. Department of Homeland Security:				
Emergency Food and Shelter National Board Program	97.024	N/A	13,188	-
Emergency Food and Shelter National Board Program - CARES Act	97.024	N/A	<u>52,829</u>	-
Total U.S. Department of Homeland Security			<u>66,017</u>	-
Total federal expenditures			<u>\$ 8,203,699</u>	-

See accompanying notes to schedule of expenditures of federal awards.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Schedule of Expenditures of Federal Awards
February 28, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activities of all the federal award programs administered by Delaware Opportunities, Inc. and Affiliates (collectively, the Organization). Federal awards received directly from federal agencies, as well as financial awards passed through other governmental agencies are included on the schedule of expenditures of federal awards.

(2) Basis of Accounting

The information is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

(3) Relationship to Basic Financial Statements

Federal award expenditures are reported on the consolidated statements of functional expenses as program services and any related allowable general and administrative expenses under the category of management and general expenses. In certain programs, the expenditures reported in the consolidated financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards due to program expenditures exceeding grant or contract budget limitations, matching or in-kind contributions or capitalization policies required under accounting principles generally accepted in the United States of America.

(4) Indirect Costs

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

**INDEPENDENT AUDITORS' 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**

The Board of Directors
Delaware Opportunities, Inc.:

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 consolidated financial statements of Delaware Opportunities, Inc. and Affiliates (collectively, the Organization), which comprise the consolidated statement of financial position as of February 28, 2023, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated September 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we 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 Organization's consolidated 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 the audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 26, 2023

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

The Board of Directors
Delaware Opportunities, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Delaware Opportunities, Inc. and Affiliates (collectively the Organization) compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended February 28, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Delaware Opportunities, Inc. and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended February 28, 2023.

Basis for Opinion on Each Major Program

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

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

Responsibilities for Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the compliance requirements 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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
September 26, 2023

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Findings and Questioned Costs
Year ended February 28, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- | | | | | |
|--|-----|-----|-----|---------------|
| 1. Material weakness(es) identified? | ___ | Yes | _x_ | No |
| 2. Significant deficiency(ies) identified? | ___ | Yes | _x_ | None reported |
| 3. Noncompliance material to financial statements noted? | ___ | Yes | _x_ | No |

Federal Awards:

Internal control over major programs:

- | | | | | |
|--|-----|-----|-----|---------------|
| 4. Material weakness(es) identified? | ___ | Yes | _x_ | No |
| 5. Significant deficiency(ies) identified? | ___ | Yes | _x_ | None reported |

Type of auditors' report issued on compliance for major programs: Unmodified

- | | | | | |
|--|-----|-----|-----|----|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | ___ | Yes | _x_ | No |
| 7. The Organization's major programs audited were: | | | | |

<u>Name of Major Federal Programs</u>	<u>Assistance Listing Number</u>
Head Start	93.600
Temporary Assistance for Needy Families	93.558
Children and Adult Care Food Program	10.558

- | | | | | |
|---|-----|-----|-----|----|
| 8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000. | | | | |
| 9. Auditee qualified as low-risk auditee? | ___ | Yes | _x_ | No |

Part II - FINANCIAL STATEMENT FINDINGS SECTION

There were no findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

There were no findings or questioned costs.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Status of Prior Year Audit Findings
February 28, 2023

There were no findings with regards to the prior year financial statements (February 28, 2022).