

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Financial Statements and
Supplementary Information
February 28, 2022 and 2021
(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, 2022 and 2021, 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, 2022 and 2021 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.

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 '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 schedules 1 through 3 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 July 26, 2022, 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
July 26, 2022

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statements of Financial Position
February 28, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and equivalents	\$ 2,655,502	1,931,064
Receivables	1,719,728	2,004,624
Prepaid expenses	110,855	110,256
Inventories, at cost	<u>34,815</u>	<u>45,820</u>
Total current assets	<u>4,520,900</u>	<u>4,091,764</u>
Investments, at fair value	<u>1,605,475</u>	<u>2,027,289</u>
Property and equipment, at cost	5,485,760	5,652,511
Less accumulated depreciation	<u>(3,781,291)</u>	<u>(3,875,245)</u>
Net property and equipment	<u>1,704,469</u>	<u>1,777,266</u>
Total assets	<u>\$ 7,830,844</u>	<u>7,896,319</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	164,282	148,300
Accrued payroll and taxes	538,482	446,201
Accrued expenses	430,088	424,134
Deferred revenue	<u>416,932</u>	<u>358,709</u>
Total liabilities	<u>1,549,784</u>	<u>1,377,344</u>
Net assets:		
Without donor restrictions	5,657,977	5,869,247
With donor restrictions	<u>623,083</u>	<u>649,728</u>
Total net assets	6,281,060	6,518,975
Contingency (note 12)	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 7,830,844</u>	<u>7,896,319</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Consolidated Statement of Activities
Year ended February 28, 2022
with comparative totals for 2021

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
Revenue:				
Fees and grants from governmental agencies	\$ 13,334,761	3,385	13,338,146	12,803,970
WIC food instruments and commodities	185	-	185	12,440
In-kind support	408,941	-	408,941	224,353
Program revenue	490,957	-	490,957	258,223
Developer fee income	-	-	-	500
Contributions	13,193	52,217	65,410	98,489
Interest	46,845	-	46,845	63,156
Miscellaneous	131,130	22,231	153,361	159,115
Net assets released from restrictions through satisfaction of program restrictions	<u>104,478</u>	<u>(104,478)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>14,530,490</u>	<u>(26,645)</u>	<u>14,503,845</u>	<u>13,620,246</u>
Expenses:				
Program services	13,637,278	-	13,637,278	12,757,766
Management and general	<u>1,074,831</u>	<u>-</u>	<u>1,074,831</u>	<u>943,531</u>
Total expenses	<u>14,712,109</u>	<u>-</u>	<u>14,712,109</u>	<u>13,701,297</u>
Change in net assets before nonoperating revenue (expense)	<u>(181,619)</u>	<u>(26,645)</u>	<u>(208,264)</u>	<u>(81,051)</u>
Nonoperating revenue (expenses):				
Gain on disposal of property and equipment	28,620	-	28,620	-
Realized gain (loss) on investments	5,910	-	5,910	(6,730)
Unrealized gain (loss) on investments	<u>(64,181)</u>	<u>-</u>	<u>(64,181)</u>	<u>39,860</u>
Total nonoperating revenue (expenses)	<u>(29,651)</u>	<u>-</u>	<u>(29,651)</u>	<u>33,130</u>
Change in net assets	(211,270)	(26,645)	(237,915)	(47,921)
Net assets at beginning of year	<u>5,869,247</u>	<u>649,728</u>	<u>6,518,975</u>	<u>6,566,896</u>
Net assets at end of year	<u>\$ 5,657,977</u>	<u>623,083</u>	<u>6,281,060</u>	<u>6,518,975</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Activities
Year ended February 28, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue:			
Fees and grants from governmental agencies	\$ 12,797,086	6,884	12,803,970
WIC food instruments and commodities	12,440	-	12,440
In-kind support	224,353	-	224,353
Program revenue	258,223	-	258,223
Developer fee income	500	-	500
Contributions	24,180	74,309	98,489
Interest	63,156	-	63,156
Miscellaneous	146,011	13,104	159,115
Net assets released from restrictions through satisfaction of program restrictions	<u>82,464</u>	<u>(82,464)</u>	<u>-</u>
Total support and revenue	<u>13,608,413</u>	<u>11,833</u>	<u>13,620,246</u>
Expenses:			
Program services	12,757,766	-	12,757,766
Management and general	<u>943,531</u>	<u>-</u>	<u>943,531</u>
Total expenses	<u>13,701,297</u>	<u>-</u>	<u>13,701,297</u>
Change in net assets before nonoperating revenue (expense)	<u>(92,884)</u>	<u>11,833</u>	<u>(81,051)</u>
Nonoperating revenue (expenses):			
Realized loss on investments	(6,730)	-	(6,730)
Unrealized gain on investments	<u>39,860</u>	<u>-</u>	<u>39,860</u>
Total nonoperating revenue (expenses)	<u>33,130</u>	<u>-</u>	<u>33,130</u>
Change in net assets	(59,754)	11,833	(47,921)
Net assets at beginning of year	<u>5,929,001</u>	<u>637,895</u>	<u>6,566,896</u>
Net assets at end of year	<u>\$ 5,869,247</u>	<u>649,728</u>	<u>6,518,975</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Functional Expenses
Year ended February 28, 2022
with comparative totals for 2021

	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			2022	2021
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	6,059,846
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>	<u>1,779,506</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>	<u>7,839,352</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	2,695,093
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	205,683
Travel	54,516	3,400	33,919	12,398	-	20,197	201,402	5,981	331,813	-	331,813	265,172
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	1,143,099
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	122,035
Insurance	27,372	16,247	40,886	15,404	15,098	7,849	47,971	3,424	174,251	19,464	193,715	166,222
Occupancy	110,410	49,619	152,051	20,990	27,372	26,049	107,227	-	493,718	76,123	569,841	514,994
Donated items, services and facilities	-	25,732	268,526	114,683	-	-	-	-	408,941	-	408,941	224,353
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>	<u>295,544</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>	<u>5,632,195</u>
Depreciation	-	-	-	-	-	-	201,918	31,853	233,771	-	233,771	229,750
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>	<u>13,701,297</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statement of Functional Expenses
Year ended February 28, 2021

	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 Programs			
Personnel expenses:											
Salaries	\$ 1,045,243	338,466	1,303,005	364,425	632,384	207,286	1,433,910	125,354	5,450,073	609,773	6,059,846
Employee benefits and payroll taxes	310,266	101,028	385,932	107,441	211,949	66,615	410,824	-	1,594,055	185,451	1,779,506
Total personnel expenses	<u>1,355,509</u>	<u>439,494</u>	<u>1,688,937</u>	<u>471,866</u>	<u>844,333</u>	<u>273,901</u>	<u>1,844,734</u>	<u>125,354</u>	<u>7,044,128</u>	<u>795,224</u>	<u>7,839,352</u>
Other expenses:											
Payments for benefits of individuals	371,347	70	-	173,957	1,534,733	120,680	494,247	59	2,695,093	-	2,695,093
Other direct expenses	39,845	4,113	45,205	12,476	35,715	24,832	23,234	-	185,420	20,263	205,683
Travel	34,499	13,172	72,444	14,203	11,622	25,670	89,639	3,923	265,172	-	265,172
Supplies	50,384	43,932	251,768	46,644	104,098	38,337	568,614	32,090	1,135,867	7,232	1,143,099
Contractual and consultants	11,593	3,336	20,424	6,777	32,625	1,895	11,661	16,128	104,439	17,596	122,035
Insurance	17,401	10,795	31,663	12,089	36,543	4,102	35,794	1,126	149,513	16,709	166,222
Occupancy	52,859	32,065	155,303	34,110	68,520	18,505	96,881	-	458,243	56,751	514,994
Donated items, services and facilities	-	20,965	203,388	-	-	-	-	-	224,353	-	224,353
Other	-	2,147	2,349	18,498	211,725	848	-	30,221	265,788	29,756	295,544
Total other expenses	<u>577,928</u>	<u>130,595</u>	<u>782,544</u>	<u>318,754</u>	<u>2,035,581</u>	<u>234,869</u>	<u>1,320,070</u>	<u>83,547</u>	<u>5,483,888</u>	<u>148,307</u>	<u>5,632,195</u>
Depreciation	-	-	-	-	-	-	198,442	31,308	229,750	-	229,750
Total functional expenses	<u>\$ 1,933,437</u>	<u>570,089</u>	<u>2,471,481</u>	<u>790,620</u>	<u>2,879,914</u>	<u>508,770</u>	<u>3,363,246</u>	<u>240,209</u>	<u>12,757,766</u>	<u>943,531</u>	<u>13,701,297</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidated Statements of Cash Flows
Years ended February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (237,915)	(47,921)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	233,771	229,750
Unrealized and realized (gain) loss on investments	58,271	(33,130)
Changes in:		
Receivables	284,896	(786,040)
Prepaid expenses	(599)	30,099
Inventories, at cost	11,005	(3,877)
Accounts payable	15,982	(7,910)
Accrued payroll and taxes	92,281	42,870
Accrued expenses	5,954	(23,897)
Deferred revenue	<u>58,223</u>	<u>61,286</u>
Net cash provided by (used in) operating activities	<u>521,869</u>	<u>(538,770)</u>
Cash flows from investing activities:		
Additions to property and equipment	(160,974)	(155,121)
Purchase of investments, net of proceeds	(83,955)	(124,273)
Withdrawal of investments	<u>447,498</u>	<u>675,032</u>
Net cash provided by investing activities	<u>202,569</u>	<u>395,638</u>
Change in cash	724,438	(143,132)
Cash at beginning of year	<u>1,931,064</u>	<u>2,074,196</u>
Cash at end of year	<u>\$ 2,655,502</u>	<u>1,931,064</u>
Supplemental schedule of cash flow information -		
disposal of fully depreciated property and equipment	<u>\$ 306,573</u>	<u>25,995</u>

See accompanying notes to consolidated financial statements.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Notes to Consolidated Financial Statements
February 28, 2022 and 2021

(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.

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, 2022 and 2021, 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 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 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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ <u>22,008</u>	<u>30,847</u>	<u>65,469</u>

(n) Donated Materials, Food, Supplies and Personal Services

The Organization receives unrestricted donations from outside parties. The donations include, but are not limited to, equipment, clothing, services, and food. All donations are not restricted and are used to support and further the Organization's objectives. The donations are reflected in the accompanying consolidated statements of activities at their estimated fair market value at the date of receipt. In addition, many individuals have contributed significant amounts of time to the activities of the Organization without compensation to satisfy cost sharing requirements of certain grants. The Organization assigns values to such services based on rates commensurate with the type of volunteer hours performed. Contributed services with an assigned value of \$575,565 and \$479,917 for the years ended February 28, 2022 and 2021, respectively, have been recorded as donated services.

However, for the purposes of financial presentation, and in accordance with generally accepted accounting principles, only professional services of \$408,941 and \$224,353, respectively, are recognized and presented in the consolidated statements of activities.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(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.

(p) 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.

(q) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

(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

(2) Liquidity

The Organization has \$4,375,230 of financial assets available within one year of the consolidated statements of financial position date consisting of \$2,655,502 of cash and \$1,719,728 of receivables. As of February 28, 2022, \$623,083 is restricted for use for various other programs operated by the Organization. Additionally, the Organization has available \$1,605,475 in investments at February 28, 2022, 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.
AND AFFILIATES

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, 2022.

- 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, 2022 and 2021:

	<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>

	<u>Assets at Fair Value as of February 28, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 1,548,727	-	-	1,548,727
U.S. Treasury bonds	20,319	-	-	20,319
Corporate bonds	-	206,876	-	206,876
Mutual funds	125,008	-	-	125,008
Common stock	<u>126,359</u>	<u>-</u>	<u>-</u>	<u>126,359</u>
Total assets at fair value	\$ <u>1,820,413</u>	<u>206,876</u>	<u>-</u>	<u>2,027,289</u>

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(3) Fair Value Measurements, Continued

The composition of investments returns (losses) for the years ended February 28, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Interest	\$ 46,845	63,156
Unrealized gain (loss) on investments	(64,181)	39,860
Realized gain (loss) on investments	<u>5,910</u>	<u>(6,730)</u>
Total investment return (loss)	\$ <u>(11,426)</u>	<u>96,286</u>

(4) Certificates of Deposit

Certificates of deposit at February 28, 2022 and 2021 are considered to be level 1 assets as described in note 3 consist of the following:

	<u>2022</u>	<u>2021</u>
1.60% due April 8, 2025	\$ 24,846	26,244
2.45% due October 15, 2024	25,475	26,944
3.50% due November 7, 2023	103,566	108,901
3.50% due November 7, 2023	103,571	108,906
2.45% due October 13, 2023	25,454	26,486
3.40% due October 3, 2023	51,654	54,175
1.40% due April 17, 2023	75,331	77,013
1.80% due November 29, 2022	100,886	102,935
3.35% due November 9, 2022	101,916	105,476
3.35% due November 7, 2022	101,903	105,459
0.25% due October 22, 2022	262,597	-
3.15% due September 14, 2022	50,718	52,350
2.40% due September 13, 2022	20,206	20,707
2.30% due July 28, 2022	20,158	20,628
3.00% due April 21, 2022	50,202	51,687
3.20% due November 8, 2021	-	102,196
3.15% due November 8, 2021	-	102,161
3.10% due October 5, 2021	-	25,460
2.02% due October 22, 2021	-	269,550
2.10% due September 20, 2021	-	20,230
3.00% due September 14, 2021	-	50,803
1.80% due September 7, 2021	-	20,184
2.05% due July 26, 2021	-	20,167
2.80% due March 15, 2021	-	50,065
	<u>\$ 1,118,483</u>	<u>1,548,727</u>

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(5) Receivables

Receivables amounted to \$1,719,728 and \$2,004,624 as of February 28, 2022 and 2021, respectively. These amounts represent the amounts the Organization was due from funding sources for expenditures incurred or services rendered in excess of payments received.

(6) Property and Equipment

Property and equipment at February 28, 2022 and 2021 are summarized as follows:

	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>
	2021		
	Delaware Opportunities, <u>Inc.</u>	<u>ADOO</u>	<u>Total</u>
Land	\$ 138,089	-	138,089
Building and improvements	2,723,557	-	2,723,557
Equipment	561,213	136,047	697,260
Vehicles	<u>1,678,572</u>	<u>415,033</u>	<u>2,093,605</u>
	5,101,431	551,080	5,652,511
Less accumulated depreciation	<u>(3,368,563)</u>	<u>(506,682)</u>	<u>(3,875,245)</u>
	<u>\$ 1,732,868</u>	<u>44,398</u>	<u>1,777,266</u>

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(7) Compensated Absences

Included in accrued expenses is the Organization's liability for future payments of accrued vested vacation wages which amounted to \$368,429 and \$389,692 at February 28, 2022 and 2021, 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.

(8) Deferred Revenue

Deferred revenue amounted to \$416,932 and \$358,709 at February 28, 2022 and 2021, 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 \$335,911 and \$320,929 for the years ended February 28, 2022 and 2021, respectively.

(10) 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.

(11) Net Assets With Donor Restrictions

Net assets with donor restrictions amounting to \$623,083 and \$649,728 at February 28, 2021 and February 28, 2021, respectively, are restricted for use in various programs as specified by the respective donors. Net assets of \$104,478 and \$82,464 were released from donor restrictions during the years ended February 28, 2022 and 2021, respectively, through the satisfaction of donor stipulations.

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES

Notes to Consolidated Financial Statements, Continued

(12) 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.

(13) 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
Consolidating Statement of Financial Position
February 28, 2022
with comparative totals for 2021

<u>Assets</u>	Delaware Opportunities, <u>Inc.</u>	<u>ADOO</u>	<u>HCOD</u>	<u>Eliminations</u>	<u>Total</u>	
					<u>2022</u>	<u>2021</u>
Current assets:						
Cash and equivalents	\$ 1,379,177	1,276,224	101	-	2,655,502	1,931,064
Receivables	1,719,728	2,493	-	(2,493)	1,719,728	2,004,624
Current portion of loans receivable	-	40,294	-	(40,294)	-	-
Prepaid expenses	100,855	10,000	-	-	110,855	110,256
Inventories, at cost	34,815	-	-	-	34,815	45,820
Total current assets	<u>3,234,575</u>	<u>1,329,011</u>	<u>101</u>	<u>(42,787)</u>	<u>4,520,900</u>	<u>4,091,764</u>
Investments, at fair value	<u>1,093,633</u>	<u>511,842</u>	<u>-</u>	<u>-</u>	<u>1,605,475</u>	<u>2,027,289</u>
Property and equipment, at cost	4,955,832	529,928	-	-	5,485,760	5,652,511
Less accumulated depreciation	<u>(3,271,428)</u>	<u>(509,863)</u>	<u>-</u>	<u>-</u>	<u>(3,781,291)</u>	<u>(3,875,245)</u>
Net property and equipment	<u>1,684,404</u>	<u>20,065</u>	<u>-</u>	<u>-</u>	<u>1,704,469</u>	<u>1,777,266</u>
Total assets	<u>\$ 6,012,612</u>	<u>1,860,918</u>	<u>101</u>	<u>(42,787)</u>	<u>7,830,844</u>	<u>7,896,319</u>
<u>Liabilities and Net Assets</u>						
Current liabilities:						
Accounts payable	166,775	-	-	(2,493)	164,282	148,300
Accrued payroll and taxes	538,482	-	-	-	538,482	446,201
Accrued expenses	430,088	-	-	-	430,088	424,134
Deferred revenue	416,932	-	-	-	416,932	358,709
Current portion of long-term debt	40,294	-	-	(40,294)	-	-
Total liabilities	1,592,571	-	-	(42,787)	1,549,784	1,377,344
Net assets:						
Without donor restrictions	3,796,958	1,860,918	101	-	5,657,977	5,869,247
With donor restrictions	<u>623,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,083</u>	<u>649,728</u>
Total net assets	<u>4,420,041</u>	<u>1,860,918</u>	<u>101</u>	<u>-</u>	<u>6,281,060</u>	<u>6,518,975</u>
Total liabilities and net assets	<u>\$ 6,012,612</u>	<u>1,860,918</u>	<u>101</u>	<u>(42,787)</u>	<u>7,830,844</u>	<u>7,896,319</u>

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Consolidating Statement of Activities
Year ended February 28, 2022
with comparative totals for 2021

	Delaware Opportunities,				Total	
	<u>Inc.</u>	<u>ADOO</u>	<u>HCOD</u>	<u>Eliminations</u>	<u>2022</u>	<u>2021</u>
Revenue:						
Fees and grants from governmental agencies	\$ 13,338,146	-	-	-	13,338,146	12,803,970
WIC food instruments and commodities	185	-	-	-	185	12,440
In-kind support	408,941	-	-	-	408,941	224,353
Program revenue	490,957	-	-	-	490,957	258,223
Developers fee income	-	-	-	-	-	500
Lease income	-	1,390	-	(1,390)	-	-
Equipment rentals	-	114,660	-	(114,660)	-	-
Contributions	65,410	-	-	-	65,410	98,489
Interest	27,564	19,281	-	-	46,845	63,156
Miscellaneous	145,392	7,969	-	-	153,361	159,115
Total revenue	<u>14,476,595</u>	<u>143,300</u>	<u>-</u>	<u>(116,050)</u>	<u>14,503,845</u>	<u>13,620,246</u>
Expenses:						
Salaries	6,170,772	-	-	-	6,170,772	6,059,846
Employee benefits and payroll taxes	2,198,303	-	-	-	2,198,303	1,779,506
Payments for benefits of individuals	2,858,060	-	-	-	2,858,060	2,695,093
Other direct expenses	140,782	12,380	-	-	153,162	205,683
Travel	372,937	74,926	-	(116,050)	331,813	265,172
Supplies	1,080,151	-	-	-	1,080,151	1,143,099
Contractual and consultants	166,549	250	325	-	167,124	122,035
Insurance	193,715	-	-	-	193,715	166,222
Occupancy	569,841	-	-	-	569,841	514,994
Donated items, services and facilities	408,941	-	-	-	408,941	224,353
Other	346,456	-	-	-	346,456	295,544
Depreciation	209,438	24,333	-	-	233,771	229,750
Total expenses	<u>14,715,945</u>	<u>111,889</u>	<u>325</u>	<u>(116,050)</u>	<u>14,712,109</u>	<u>13,701,297</u>
Change in net assets before nonoperating revenue (expense)	<u>(239,350)</u>	<u>31,411</u>	<u>(325)</u>	<u>-</u>	<u>(208,264)</u>	<u>(81,051)</u>
Nonoperating revenue (expenses):						
Gain on disposal of property and equipment	28,620	-	-	-	28,620	-
Realized gain (loss) on investments	5,910	-	-	-	5,910	(6,730)
Unrealized gain (loss) on investments	(39,989)	(24,192)	-	-	(64,181)	39,860
Total nonoperating revenue (expenses)	<u>(5,459)</u>	<u>(24,192)</u>	<u>-</u>	<u>-</u>	<u>(29,651)</u>	<u>33,130</u>
Change in net assets	<u>(244,809)</u>	<u>7,219</u>	<u>(325)</u>	<u>-</u>	<u>(237,915)</u>	<u>(47,921)</u>
Net assets at beginning of year	<u>4,664,850</u>	<u>1,853,699</u>	<u>426</u>	<u>-</u>	<u>6,518,975</u>	<u>6,566,896</u>
Net assets at end of year	<u>\$ 4,420,041</u>	<u>1,860,918</u>	<u>101</u>	<u>-</u>	<u>6,281,060</u>	<u>6,518,975</u>

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, 2021 and the eight months ended February 28, 2022

	<u>July 1, 2020 - February 28, 2021</u>	<u>March 1, 2021 - June 30, 2021</u>	<u>Total</u>	<u>July 1, 2021 - February 28, 2022</u>
Revenue	\$ 40,945	48,883	89,828	65,718
Expenses:				
Salaries	27,558	29,466	57,024	43,591
Fringe benefits	9,638	10,018	19,656	14,822
Insurance/bonding	46	1,346	1,392	110
Professional services	-	677	677	1,065
Rent/mortgage/utilities	629	994	1,623	788
Telephone	288	486	774	255
Office supplies	107	1,575	1,682	160
Printing/postage	1,091	1,486	2,577	1,464
Travel	-	-	-	738
Staff development/training	313	743	1,056	88
Service agreements and maintenance	648	724	1,372	1,836
Advertising and bids	-	250	250	-
Other	627	1,118	1,745	801
Total expenses	<u>\$ 40,945</u>	<u>48,883</u>	<u>89,828</u>	<u>65,718</u>

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Expenditures of Federal Awards
Year ended February 28, 2022

<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	\$ 530,440	-
Women, Infants and Children	10.557	C-35439GG-21	154,630	-
Women, Infants and Children	10.557	C-35439GG-20	173,385	-
			<u>858,455</u>	<u>-</u>
Child and Adult Care Food Program - Head Start	10.558	2053	70,063	-
Child and Adult Care Food Program - Family Day Care	10.558	2070	149,468	-
			<u>219,531</u>	<u>-</u>
Hunger Solutions - NOEP	10.561	N/A	74,486	-
Total U.S. Department of Agriculture			<u>1,152,472</u>	<u>-</u>
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	20,368	-
Community Development Block Grants/State's Program and				
Non-Entitlement Grants	14.228	N/A	300,980	-
Pass-through New York State Office of Temporary and				
Disability Services:				
Emergency Solutions Grant Program - CARES Act	14.231	N/A	264,709	-
Emergency Rental Assistance Program - American Rescue Plan	21.023	N/A	51,814	-
Pass-through New York State Homes and Community:				
Access to Home Program	14.239	N/A	7,128	-
Restore Program	14.239	N/A	21,311	-
			<u>28,439</u>	<u>-</u>
Total U.S. Department of Housing and Urban			<u>666,310</u>	<u>-</u>
Development				
U.S. Department of Justice:				
Pass-through New York State Office of Victim Services:				
Combined	16.575	C-10944GG	209,799	-
Case Manager	16.575	C-10944GG	52,068	-
Legal Aid	16.575	C-11147GG	49,291	-

(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:				
COVID-19 Recovery Fund	16.575	T00022GG	\$ 31,495	-
Safe Housing Options	16.575	C00063GG	<u>21,686</u>	<u>-</u>
			<u>364,339</u>	<u>-</u>
Pass-through New York State Division of Criminal Justice Services - STOP Program				
	16.588	C00252GG	<u>10,732</u>	<u>-</u>
Total U.S. Department of Justice			<u>375,071</u>	<u>-</u>
U.S. Department of Energy:				
Pass-through New York State Division of Housing and Community Renewal:				
Weatherization Assistance Program	81.042	C093250-19	30,514	-
Weatherization Assistance Program	81.042	C093250-21	<u>144,858</u>	<u>-</u>
Total U.S. Department of Energy			<u>175,372</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Head Start	93.600	02CH011963	2,321,019	-
Head Start - American Rescue Plan	93.600	02HE000072	1,170	-
Head Start - COVID-19	93.600	02CH01033005-C3	9,428	-
Head Start - COVID-19	93.600	02HE000072-01-C5	<u>24,508</u>	<u>-</u>
			<u>2,356,125</u>	<u>-</u>
Pass-through Delaware County Office of the Aging:				
Special Programs for the Aging Title III Part C				
Nutrition Services	93.045	OFA	46,745	-
HDC2 - COVID-19	93.045	OFA	40,113	-
HDC3 - COVID-19	93.045	OFA	<u>79,549</u>	<u>-</u>
			<u>166,407</u>	<u>-</u>
SSC3 - COVID-19	93.044	OFA	<u>8,525</u>	<u>-</u>
FCC3 - COVID-19	93.052	OFA	<u>17,666</u>	<u>-</u>
Nutrition Services Incentive Program	93.053	OFA	<u>59,643</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 Health and Human Services, Continued:				
Pass-through New York State Division of Housing and Community Renewal:				
Low Income Home Energy Assistance	93.568	C93250-19	\$ 47,588	-
Low Income Home Energy Assistance	93.568	C93250-21	382,071	-
Low Income Home Energy Assistance	93.568	DSS	<u>154,698</u>	-
			<u>584,357</u>	-
Pass-through New York State Office of Children and Family Services:				
Child Care and Development Grant - Legally Exempt	93.575	C028254	54,777	-
Child Care and Development Grant - Child Care	93.575	C028239	87,657	-
Child Care and Development Grant - CARES Act	93.575	T012484	111,206	-
CCRR Stabilization	93.575	T012675	34,403	-
Child Care and Development Grant - Discretionary	93.575	DSS	<u>80,838</u>	-
			<u>368,881</u>	-
Healthy Families of New York	93.558	C028012	287,138	-
Advantage After School Program	93.558	C028605	7,000	-
Pass-through Delaware County Department of Social Services:				
TANF FFFS (Employment and Training)	93.558	DSS	264,269	-
TANF (NR DV-Expansion)	93.558	DSS	27,008	-
TANF (Wheels for Work)	93.558	DSS	<u>11,076</u>	-
			<u>596,491</u>	-
OVS 5M Pandemic Relief	16.575	T012533	<u>33,323</u>	-
Baby Bundle	93.434	T012508	<u>21,835</u>	-
Child Care Mandatory and Matching Funds - Daycare	93.596	DSS	<u>166,835</u>	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Big Buddy	93.667	DSS	3,197	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Parent Education	93.667	DSS	135,370	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Non Res. DV & Res. DV	93.667	DSS	117,568	-
Social Services Block Grant (Serv. for Recipients/Title XX) - Youth Engagement	93.667	DSS	9,815	-
Social Services Block Grant (Serv. for Recipients/Title XX) - AOFH-FR Preventive	93.667	DSS	<u>149,523</u>	-
			<u>415,473</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 Health and Human Services, Continued:				
Chafee Foster Care Independence Program	93.674	DSS	\$ 40,851	-
Pass-through New York State Department of State:				
Community Services Block Grant	93.569	C1001461	254,334	-
Community Services Block Grant - CARES Act	93.569	C1001794	113,243	-
			<u>367,577</u>	-
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	54,626	-
FVPSA - CARES Act	93.671	T012425	8,145	-
FVPSA - American Rescue Plan	93.671	C029162	1,192	-
			<u>63,963</u>	-
Total U.S. Department of Health and Human Services			<u>5,267,952</u>	-
U.S. Department of Homeland Security:				
Emergency Food and Shelter National Board Program	97.024	N/A	14,423	
Emergency Food and Shelter National Board Program - CARES Act	97.024	N/A	59,578	-
Total U.S. Department of Homeland Security			<u>74,001</u>	-
Total federal expenditures			<u>\$ 7,711,178</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, 2022

(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, 2022, 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 July 26, 2022.

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
July 26, 2022

**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 the Organization's major federal programs for the year ended February 28, 2022. 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 its major federal programs for the year ended February 28, 2022.

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
July 26, 2022

DELAWARE OPPORTUNITIES, INC.
AND AFFILIATES
Schedule of Findings and Questioned Costs
Year ended February 28, 2022

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
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557
Community Services Block Grant	93.569

- | | | | | |
|---|-----|-----|-----|----|
| 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, 2022

There were no findings with regards to the prior year financial statements (February 28, 2021).