

LEWIS COUNTY
OPPORTUNITIES, INC.

FINANCIAL STATEMENTS
December 31, 2021

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LEWIS COUNTY OPPORTUNITIES, INC.

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
LEWIS COUNTY OPPORTUNITIES, INC.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LEWIS COUNTY OPPORTUNITIES, INC.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lewis County Opportunities, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lewis County Opportunities, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lewis County Opportunities, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lewis County Opportunities, Inc.'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 audit.

Supplementary Information

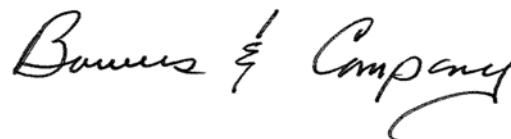
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Lewis County Opportunities, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2022, on our consideration of Lewis County Opportunities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Lewis County Opportunities Inc.'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 Lewis County Opportunities, Inc.'s internal control over financial reporting and compliance.



Watertown, New York
May 16, 2022

LEWIS COUNTY OPPORTUNITIES, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

December 31, 2021 with Comparative Totals for 2020

	2021	2020
ASSETS		
Unrestricted Cash and Cash Equivalents	\$ 517,324	\$ 519,177
Board Designated Deposits	52,650	47,189
Deposits Held in Trust	26,318	89,951
Certificates of Deposit	360,000	360,000
Grants Receivable	208,666	298,728
Accounts Receivable	20,985	2,557
Accrued Interest Income Receivable	198	124
Prepaid Expenses	908	476
Investments	219,851	176,340
Property Available for Lease, Net	1,981	2,503
Property and Equipment, Net	307,110	299,356
TOTAL ASSETS	\$ 1,715,991	\$ 1,796,401
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 17,683	\$ 22,893
Accrued Payroll and Related Expenses	79,289	81,548
Accrued Expenses	76,320	75,878
Unearned Revenue	79,534	87,732
Deposits Held in Trust	26,318	89,951
Total Liabilities	279,144	358,002
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	1,384,197	1,391,210
Board Designated	52,650	47,189
Total Net Assets Without Donor Restrictions	1,436,847	1,438,399
TOTAL LIABILITIES AND NET ASSETS	\$ 1,715,991	\$ 1,796,401

See notes to financial statements.

LEWIS COUNTY OPPORTUNITIES, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021 with Summarized Totals for December 31, 2020

	2021	2020
SUPPORT AND REVENUE		
Federal Grants	\$ 1,678,857	\$ 1,577,649
State and Local Grants	117,277	140,447
Program Service Fees	876,882	793,159
Donations	20,874	35,910
In-Kind Donations	106,879	94,164
Rental Revenue	7,200	7,200
Investment Income, Net	2,537	6,911
Net Realized and Unrealized Gain on Investments	42,136	13,729
	<u>2,852,642</u>	<u>2,669,169</u>
EXPENSES		
Program Services:		
Family Services	399,303	390,107
Domestic Violence & Rape Crisis	433,229	377,989
Housing Assistance	1,226,948	1,233,528
Energy Conservation	400,137	341,627
Management and General	394,577	376,066
	<u>2,854,194</u>	<u>2,719,317</u>
CHANGE IN NET ASSETS	(1,552)	(50,148)
NET ASSETS, BEGINNING OF YEAR	<u>1,438,399</u>	<u>1,488,547</u>
NET ASSETS, END OF YEAR	<u>\$ 1,436,847</u>	<u>\$ 1,438,399</u>

See notes to financial statements.

LEWIS COUNTY OPPORTUNITIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021 with Summarized Totals for December 31, 2020

	<u>Program Services</u>				<u>Total</u>	<u>Management and General</u>	<u>Totals</u>	
	<u>Family Services</u>	<u>Domestic Violence & Rape Crisis</u>	<u>Housing Assistance</u>	<u>Energy Conservation</u>			<u>2021</u>	<u>2020</u>
Salaries and Wages	\$ 199,467	\$ 182,738	\$ 368,586	\$ 159,877	\$ 910,668	\$ 270,829	\$ 1,181,497	\$ 1,181,023
In-Kind Wages	-	94,578	-	-	94,578	-	94,578	93,508
Payroll Taxes and Benefits	44,880	42,832	76,839	37,763	202,314	39,359	241,673	221,267
Total Payroll and Related Expenses	<u>244,347</u>	<u>320,148</u>	<u>445,425</u>	<u>197,640</u>	<u>1,207,560</u>	<u>310,188</u>	<u>1,517,748</u>	<u>1,495,798</u>
Administrative Costs	-	-	-	752	752	103	855	1,414
Advertising	2,843	10,203	1,928	495	15,469	78	15,547	7,841
Conferences and Seminars	2,642	200	-	6,043	8,885	156	9,041	8,970
Consumer Housing / Other Assistance	64,007	14,814	675,025	1,452	755,298	-	755,298	754,936
Contracted Services	2,940	327	3,265	12,825	19,357	18,552	37,909	7,545
Copier Pooled Costs	907	336	1,553	371	3,167	-	3,167	3,143
Donations	-	-	-	-	-	12,792	12,792	1,856
Dues and Subscriptions	9,194	500	1,491	1,355	12,540	532	13,072	18,025
Insurance	4,730	1,146	7,849	6,932	20,657	5,612	26,269	26,736
Return of Prior Year Grant Funding	-	-	-	28,425	28,425	-	28,425	-
Occupancy Pooled Costs	22,777	11,929	14,471	7,493	56,670	2,280	58,950	47,277
Office Expense	5,473	4,259	12,227	1,318	23,277	946	24,223	18,956
Postage and Printing	1,615	5,254	11,498	1,067	19,434	-	19,434	14,616
Professional Fees	6,174	8,130	17,451	3,000	34,755	27,501	62,256	63,296
Program Supplies and Expenses	17,296	41,827	-	103,864	162,987	612	163,599	133,305
Repairs and Maintenance	2,459	1,099	4,726	15,195	23,479	1,220	24,699	39,319
Telephone	3,320	4,008	4,742	1,365	13,435	605	14,040	12,564
Travel	26	572	1,042	5,035	6,675	-	6,675	7,121
Vehicle Pooled Costs	1,538	2,073	5,893	-	9,504	-	9,504	7,482
Volunteer and Employee Recognition	1,094	286	171	-	1,551	6,924	8,475	9,267
Depreciation	5,921	6,118	18,191	5,510	35,740	6,476	42,216	39,850
Total Expenses	<u>\$ 399,303</u>	<u>\$ 433,229</u>	<u>\$ 1,226,948</u>	<u>\$ 400,137</u>	<u>\$ 2,459,617</u>	<u>\$ 394,577</u>	<u>\$ 2,854,194</u>	<u>\$ 2,719,317</u>

See notes to financial statements.

LEWIS COUNTY OPPORTUNITIES, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021 with Comparative Totals for 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grantors and Contributors	\$ 1,920,392	\$ 1,720,358
Cash Received from Service Recipients	780,501	873,502
Investment Income Received	2,463	10,457
Cash Paid to Employees and Suppliers	<u>(2,712,558)</u>	<u>(2,618,605)</u>
Net Cash Used In Operating Activities	<u>(9,202)</u>	<u>(14,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Certificates of Deposit and Investments	179,190	406,328
Purchase of Certificates of Deposit and Investments	(180,565)	(263,559)
Purchase of Property and Equipment	<u>(49,448)</u>	<u>(14,111)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(50,823)</u>	<u>128,658</u>
Increase (Decrease) in Cash	(60,025)	114,370
Cash and Cash Equivalents, Beginning of Year	<u>656,317</u>	<u>541,947</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 596,292</u></u>	<u><u>\$ 656,317</u></u>
CASH AND CASH EQUIVALENTS		
Unrestricted Cash and Cash Equivalents	\$ 517,324	\$ 519,177
Board Designated Deposits	52,650	47,189
Deposits Held in Trust	<u>26,318</u>	<u>89,951</u>
Total Cash and Cash Equivalents	<u><u>\$ 596,292</u></u>	<u><u>\$ 656,317</u></u>

See notes to financial statements.

STATEMENT OF CASH FLOWS – CONTINUED

Year Ended December 31, 2021 with Comparative Totals for 2020

	2021	2020
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,552)	\$ (50,148)
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation	42,216	39,850
Unrealized Gain on Investments	(27,755)	(14,517)
Realized (Gain) Loss on Sale of Investments	(14,381)	788
(Increase) Decrease in Operating Assets:		
Grants Receivable	90,062	(78,260)
Accounts Receivable	(18,428)	(2,491)
Accrued Interest Income Receivable	(74)	3,546
Prepaid Expenses	(432)	367
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(5,210)	(11,771)
Accrued Payroll and Related Expenses	(2,259)	(26,081)
Accrued Expenses	442	4,183
Unearned Revenue	(8,198)	44,612
Deposits Held in Trust	(63,633)	75,634
	\$ (9,202)	\$ (14,288)
Net Cash Used In Operating Activities	\$ (9,202)	\$ (14,288)

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 1 – NATURE OF OPERATIONS

Lewis County Opportunities, Inc. (“the Organization”) is a non-profit community action agency operating since 1965. As a community action agency, the Organization is dedicated to the fulfillment of unmet human needs within its community which, depending on the service, encompasses Lewis and/or Jefferson Counties. To meet these needs, the Organization provides a variety of supportive services to families, with the intended outcome of a higher quality of life.

Services Include:

- **Family Services**, including Transportation Assistance Program, Representative Payee, Food Pantry, Thrift Store, and a Child Passenger Safety Program.
- **Domestic Violence and Rape Crisis Services**, including a 24-hour crisis hotline, Crime Victims Assistance, Safe Dwelling, advocacy, counseling, therapy, information and referrals, transportation, and community education and outreach.
- **Housing Assistance**, including Section 8 rental subsidies to income eligible families in Lewis and Jefferson Counties, who reside in dwellings meeting HUD criteria, and other services such as Home Ownership, Family Self-Sufficiency, and Continuum of Care.
- **Energy Conservation**, through weatherization services, by providing home repairs to promote energy efficiency and also educating consumers on the benefits of energy conservation.

For the years ended December 31, 2021 and 2020, approximately 63% and 64% of total support and revenue was provided by federal and state grants, respectively.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

The Organization reports information regarding its financial position and activities according to one class: net assets without donor restrictions.

Net Assets Without Donor Restrictions: Are currently available for operating purposes subject only to the broad limits resulting from the nature of the Organization. Net assets without donor restrictions generally result from receiving contributions that have no donor restrictions, providing services, government grants and contracts, and receiving interest from operating investments, less expenses incurred in providing program-related services and performing administrative functions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable represent amounts that have been billed under agency contracts but not collected as of the date of the financial statements. All grants receivable represents amounts owed by federal, state and local government agencies. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2021 and 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

Accounts receivable represent amounts that have been billed under agency contracts but not collected as of the date of the financial statements. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2021 and 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value.

Property and Equipment

Property and equipment acquired by the Organization is considered to be owned by the Organization. However, certain federal and state funding sources maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. These federal and state funding sources have a reversionary interest in those assets purchased with its funds.

Property and equipment are capitalized at cost and depreciated on a straight-line basis over the useful life of the assets as follows:

Buildings and Improvements	10-40 Years
Equipment	5-10 Years
Vehicles	5 Years

The Organization capitalizes property and equipment with the following characteristics:

- the item has a cost value of \$2,500 or greater;
- the item has an estimated useful life of one or more years; and
- the item is not appreciably affected by use or consumption.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Unearned Revenue

The Organization is the recipient of grants that require expenditure for specified activities before the Organization is reimbursed by the grantor for the costs incurred. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as unearned revenue.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services and In-Kind Support

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Revenue Recognition

Building rental revenue is recognized as revenue in the month to which the space is leased.

In accordance with ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), the Organization recognizes revenue when control of the promised goods or service is transferred to the Organization's outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization has multiple revenue sources that are accounted for as exchange transactions, including thrift store sales and program service fees.

Thrift Store Sales

Sales are recognized as revenue at the time of purchase.

Program Service Fees

Program service fees are recognized as revenue in the month the service is provided.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition – Continued

In accordance with ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958), the Organization recognizes nonreciprocal transactions at the time of transaction for the following revenue sources:

Federal, State and Local Grants

The Organization receives substantially all of its revenue from cost-reimbursable grants and contracts with Federal, State, and County agencies, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Donations

Donations received are recorded as net assets without donor restrictions or net assets with donor restrictions based on the nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services in accordance with various statistical bases. Building and property costs are allocated to programs based on square footage occupied. Agency vehicle costs are allocated based on actual miles driven. Postage and copier costs are allocated to programs based on actual usage. Telephone costs are allocated based on actual full-time employees funded by each program. Employee fringe benefits are allocated to programs using salaries and leave by employee classification as the base. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Statement of Cash Flows

The Organization had no noncash financing or investing transactions during the years ended December 31, 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes and Open Tax Years

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization has adopted the provisions of Financial Accounting Standards Board Codification, "*Income Taxes*". In determining the recognition of uncertain tax positions, the Organization applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities.

The Organization recognizes potential liabilities associated with anticipated tax audit issues that may arise during an examination. Interest and penalties that are anticipated to be due upon examination are recognized as accrued interest and other liabilities with an offset to interest and other expense. The Organization analyzed its tax positions taken on their Federal and State tax returns for the open tax years 2018, 2019, and 2020. Based on this analysis, the Organization determined that there were no uncertain tax positions and that the Organization should prevail upon examination by the taxing authorities.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Impact of COVID-19 Pandemic on Financial Statements

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including but not limited to the duration, spread, severity, and impact of the outbreak, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Lewis County Opportunities, Inc.'s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of Management’s Review

Management has evaluated subsequent events and transactions that occurred between December 31, 2021 through May 16, 2022, which is the date the financial statements were available to be issued, and has determined that there are no additional adjustments and/or disclosures necessary.

NOTE 3 – CERTIFICATES OF DEPOSIT

Certificates of deposit, valued at cost, totaled \$360,000 for the years ended December 31, 2021 and 2020, and are held at Morgan Stanley. The certificates bear interest ranging from 0.1% to 0.25% and have maturities ranging from one year to two years, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consist of the following at December 31:

	2021	2020
NYS Department of State	\$ -	\$ 62,704
NYS Office of Children and Family Services	23,161	33,629
NYS Housing and Community Renewal	20,600	6,712
Lewis County	2,817	2,755
NYS Division of Criminal Justice	25,392	38,220
Jefferson County Department of Social Services	109,792	121,226
NYS Office of Victim Services	26,904	32,587
Other	-	895
	-	895
Total Grants Receivable	\$ 208,666	\$ 298,728

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 5 – INVESTMENTS

Investments as of December 31, 2021 are summarized as follows:

	Cost	Fair Value	Carrying Value
Equity Securities	<u>\$ 134,307</u>	<u>\$ 219,851</u>	<u>\$ 219,851</u>

Investments as of December 31, 2020 are summarized as follows:

	Cost	Fair Value	Carrying Value
Equity Securities	<u>\$ 118,762</u>	<u>\$ 176,340</u>	<u>\$ 176,340</u>

The equity securities are held at Morgan Stanley. The Organization recognized an unrealized gain of \$27,755 and \$14,517 for the years ended December 31, 2021 and 2020, respectively. The Organization also recognized realized gains (losses) of \$14,381 and (\$788) for the years ended December 31, 2021 and 2020, respectively. Expenses related to investment revenues, including custodial fees and investment advisory fees, amounted to \$3,315 and \$2,670 for the years ended December 31, 2021 and 2020, respectively, and have been netted against investment income in the accompanying Statement of Activities.

NOTE 6 – PROPERTY AVAILABLE FOR LEASE, NET

Property available for lease consists of the following at December 31:

	2021	2020
Building and Improvements	\$ 10,456	\$ 10,456
Less: Accumulated Depreciation	<u>(8,475)</u>	<u>(7,953)</u>
Total Property Available for Lease, Net	<u>\$ 1,981</u>	<u>\$ 2,503</u>

LEWIS COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 6 – PROPERTY AVAILABLE FOR LEASE, NET – Continued

The Organization leases the above building space and improvements to a tenant under an operating lease with a three-year term, set to expire August 31, 2022. The following is a schedule of years for future minimum rentals under the lease as of December 31, 2021:

2022	<u>\$ 4,800</u>
Total	<u><u>\$ 4,800</u></u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31:

	2021	2020
Land	\$ 10,550	\$ 10,550
Buildings and Improvements	866,665	854,322
Equipment	170,680	160,404
Vehicles	<u>221,724</u>	<u>220,473</u>
	1,269,619	1,245,749
Less: Accumulated Depreciation	<u>(962,509)</u>	<u>(946,393)</u>
Total Property and Equipment, Net	<u><u>\$ 307,110</u></u>	<u><u>\$ 299,356</u></u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 8 – UNEARNED REVENUE

The following table provides information about significant changes in the unearned revenue for the years ended December 31, 2021 and 2020:

	2021	2020
Unearned Revenue, Beginning of Year	\$ 87,732	\$ 43,120
Revenue Recognized that was Included in Unearned Revenue at the Beginning of the Year	(83,511)	(22,705)
Increase in Unearned Revenue due to Cash Received During the Year:		
NYS Division of Housing & Community Renewal	39,244	36,518
Lewis County	2,062	2,687
Jefferson County Department of Social Services	-	174
Emergency Food & Shelter National Board Program	13,871	7,469
NYS Dept of State	17,948	12,180
Excellus	500	6,624
Other	1,688	1,665
Unearned Revenue, End of Year	<u>\$ 79,534</u>	<u>\$ 87,732</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 9 – BOARD DESIGNATED NET ASSETS

During 2004, the Board designated certain unrestricted support and revenue from recurring programs with net asset balances to be used for those programs from which the funds were originally received. In accordance with generally accepted accounting principles, net assets associated with these board-designated amounts are classified as net assets without donor restrictions. A portion of the Organization’s cash and cash equivalents are set aside to fund these designations. A summary of board designated net assets, as of December 31 is as follows:

	2021	2020
DV Unrestricted	\$ 10,202	\$ 9,863
Food Pantry	21,026	13,280
Critical Needs	19,950	15,065
Thrift Store	1,472	8,981
 Total Board Designated Net Assets	 \$ 52,650	 \$ 47,189

NOTE 10 – GRANT REVENUES

The Organization was primarily funded through the following restricted grants during the years ended December 31, 2021 and 2020 as follows:

		State and Local Grants	
Funding Source	Grant Name	2021	2020
NYS Crime Victims Board	Crime Victim Assistance	\$ -	\$ 20,828
NYS Division of Criminal Justice	Legislative Initiatives and Rape Crisis	82,821	75,887
Other State and Local Sources	Various	34,456	43,732
 Total State & Local Grants		 \$ 117,277	 \$ 140,447

LEWIS COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 10 – GRANT REVENUES – Continued

Funding Source	Grant Name	Federal Grants	
		2021	2020
NYS Division of Housing & Community Renewal	HEAP Weatherization	\$ 220,909	\$ 194,059
	Weatherization Assistance	138,366	148,745
NYS Department of State	CSBG	403,722	358,350
NYS Crime Victims Board	Crime Victim Assistance	113,509	83,313
NYS Department of Children & Family Services	DV TANF/DSS	46,245	43,633
	Family Violence Prevention	70,478	58,969
NYS Division of Criminal Justice	Violence Against Women	50,000	21,841
National Board Program	Emergency Food & Shelter	18,752	9,626
County of Jefferson	Continuum of Care	614,925	653,340
NYS Traffic Safety	Child Passenger Safety	1,951	5,773
Total Federal Grants		<u>\$ 1,678,857</u>	<u>\$ 1,577,649</u>

NOTE 11 – PROGRAM SERVICE FEES

The Organization received service fees for the following programs during the years ended December 31, 2021 and 2020 as follows:

	2021	2020
Housing Assistance Program:		
Jefferson County	\$ 581,524	\$ 557,650
Lewis County	166,137	167,984
Other Sources	129,221	67,525
Total Program Service Fees	<u>\$ 876,882</u>	<u>\$ 793,159</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 12 – IN-KIND DONATIONS

The Organization recognizes in-kind donations from its volunteer certified rape crisis counselors, who must obtain forty hours of training in rape crisis and twenty hours of training in domestic violence. The total value of donated services recognized for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Certified Rape Crisis Counselors	<u>\$ 94,578</u>	<u>\$ 93,508</u>

Donated services have been included as in-kind wages on the Statement of Functional Expenses.

The Organization also receives in-kind donations of goods that are reported as in-kind donations. The value of these goods was estimated at \$12,301 and \$656 for the years ended December 31, 2021 and 2020, respectively. The Organization uses value of goods provided by the donor or thrift shop value to assign estimated value of goods received.

NOTE 13 – ADVERTISING

The Organization uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During the years ended December 31, 2021 and 2020, advertising costs totaled \$15,547 and \$7,841, respectively.

NOTE 14 – EMPLOYEES' RETIREMENT PLAN

The Organization participates in a 401(k)-profit sharing plan whereby the Organization contributes an annually determined percentage of salaries for each qualifying employee for retirement benefits. An employee becomes eligible to participate upon working 1,000 hours within a twelve-month period, effective from the employee's date of hire, and annually subsequent to that based on the plan year. All contributions to the plan are made by the Organization. During the years ended December 31, 2021 and 2020, the Organization contributed \$59,182 and \$47,523, respectively, to the plan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 15 – CONCENTRATION OF CREDIT RISK

The Organization has cash and cash equivalents held in accounts at a local bank with bank balances of \$181,787 and \$279,226 at December 31, 2021 and 2020, respectively. Uninsured and uncollateralized amounts totaled \$-0- and \$29,226 for the years ended December 31, 2021 and 2020, respectively.

The Organization also has accounts at Morgan Stanley in the amount of \$1,017,405 and \$935,915 at December 31, 2021 and 2020, respectively. Morgan Stanley is a member of the Securities Investor Protection Corporation (“SIPC”). The coverage is \$500,000, of which up to \$250,000 may be invested in cash. Morgan Stanley has obtained additional private insurance in excess of SIPC coverage, which provides an additional \$1 billion of coverage, limited to \$1.9 million per customer. Therefore, the full balances at Morgan Stanley are insured as of December 31, 2021 and 2020.

NOTE 16 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification No. 820, “*Fair Value Measurements*” defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value instruments. That standard provides a consistent definition of fair values, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of the information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 Quoted prices are available in active markets for identical investments as of the reporting date.
- Level 2 Inputs, including broker quotes, are generally those other than exchanged quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value is determined through the use of models or other valuation methodologies.
- Level 3 Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment of estimation. Investments included in this category generally include privately held investments and partnership interests.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 16 – FAIR VALUE MEASUREMENTS – Continued

The 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 December 31, 2021 and 2020.

Equity Securities: Valued at the closing price reported on the active market on which the individual securities 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 table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 219,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,851</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 176,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,340</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 with Comparative Totals for 2020

NOTE 17 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet the operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The following table reflects the Organization’s financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date.

	2021	2020
Financial Assets:		
Unrestricted Cash And Cash Equivalents	\$ 517,324	\$ 519,177
Board Designated Deposits	52,650	47,189
Certificates of Deposits	360,000	360,000
Deposits Held in Trust	26,318	89,951
Grants Receivable	208,666	298,728
Accounts Receivable	20,985	2,557
Accrued Interest Income Receivable	198	124
Investments	219,851	176,340
Total Financial Assets as of December 31	1,405,992	1,494,066
Less those Unavailable for General Expenditures Within One Year:		
Board Designated Deposits	(52,650)	(47,189)
Certificates of Deposit with Maturities in Excess of One Year	-	(215,000)
Deposits Held In Trust	(26,318)	(89,951)
Total Financial Assets Unavailable for General Expenditures Within One Year	(78,968)	(352,140)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 1,327,024	\$ 1,141,926

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures through ongoing grant and program income.

FEDERAL AWARD PROGRAM INFORMATION



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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**TO THE BOARD OF DIRECTORS
LEWIS COUNTY 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 financial statements of Lewis County Opportunities, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewis County Opportunities, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lewis County Opportunities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis County Opportunities, Inc.'s internal control.

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

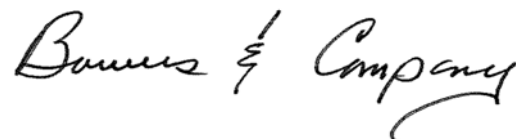
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis County Opportunities, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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

This 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.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York
May 16, 2022



**BOWERS & COMPANY
CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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

**TO THE BOARD OF DIRECTORS
LEWIS COUNTY OPPORTUNITIES, INC.**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lewis County Opportunities, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Lewis County Opportunities, Inc.'s major federal programs for the year ended December 31, 2021. Lewis County Opportunities, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lewis County Opportunities, Inc. 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 its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal 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 *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 Lewis County Opportunities, Inc. 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 Lewis County Opportunities, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of 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 Lewis County Opportunities, Inc.'s federal programs.

Auditor's Responsibilities 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 Lewis County Opportunities, Inc.'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 judgment made by a reasonable user of the report on compliance about Lewis County Opportunities, Inc.'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 judgment 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 Lewis County Opportunities, Inc.'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 Lewis County Opportunities, Inc.'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 Lewis County Opportunities, Inc.'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.

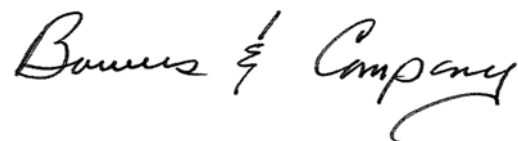
Report on Internal Control over Compliance

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 a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and 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.

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in black ink and is positioned to the right of the date and location information.

Watertown, New York
May 16, 2022

LEWIS COUNTY OPPORTUNITIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2021

Federal Grantor/Pass-through Grant/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through NYS Department of State:			
477 Cluster:			
COVID-19: Community Services Block Grant - CARES Act	93.569	T1001801	\$ 166,517
Community Services Block Grant	93.569	C1001468	237,205
Total 477 Cluster			<u>403,722</u>
Passed Through NYS Division of Housing & Community Renewal:			
Low-Income Home Energy Assistance	93.568	C093350-21	135,909
Low-Income Home Energy Assistance	93.568	C093350-19	85,000
Passed Through NYS Office of Children & Family Services:			
COVID-19: Family Violence Prevention & Services - ARPA	93.671	C029193	1,365
Family Violence Prevention & Services	93.671	C028825	39,938
COVID-19: Family Violence Prevention & Services - CARES Act	93.671	T012376	5,000
Passed Through County of Lewis:			
Temporary Assistance for Needy Families	93.558	N/A	22,245
Non Residential	93.667	N/A	24,000
Total U.S. Department of Health and Human Services			<u>717,179</u>
U.S. Department of Energy			
Passed Through NYS Division of Housing & Community Renewal:			
Weatherization Assistance for Low-Income Persons	81.042	C093350-21	138,366
Total U.S. Department of Energy			<u>138,366</u>
U.S. Department of Homeland Security			
COVID-19: Emergency Food & Shelter National Board Program - CARES Act			
Emergency Food & Shelter National Board Program	97.024	N/A	3,837
Emergency Food & Shelter National Board Program	97.024	N/A	14,915
Total U.S. Department of Homeland Security			<u>18,752</u>
U.S. Department of Justice			
Passed Through NYS Office of Victim Services:			
Crime Victim Services	16.575	C10986GG	113,509
Passed Through NYS Division of Criminal Justice:			
Violence Against Women Formula Grants	16.588	C00248GG	50,000
Passed Through NYS Office of Children & Family Services:			
Crime Victim Services	16.575	T012595	24,175
Total U.S. Department of Justice			<u>187,684</u>
Subtotal to Next Page			<u>\$ 1,061,981</u>

See Paragraph on Supplementary Information Included in Independent Auditor's Report and
Accompanying Notes to the Schedule of Expenditures of Federal Awards.

LEWIS COUNTY OPPORTUNITIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended December 31, 2021

Federal Grantor/Pass-through Grant/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures
Subtotal from Previous Page			<u>\$ 1,061,981</u>
U.S. Department of Transportation			
Passed Through NYS Governors Traffic Safety Committee:			
National Priority Safety Programs	20.616	I-00102-025	<u>1,951</u>
Total U.S. Department of Transportation			<u>1,951</u>
U.S. Department of Housing & Urban Development			
Passed Through County of Jefferson, New York:			
Continuum of Care Program	14.267	N/A	<u>614,925</u>
Total U.S. Department of Housing & Urban Development			<u>614,925</u>
Total Federal Awards			<u><u>\$ 1,678,857</u></u>

See Paragraph on Supplementary Information Included in Independent Auditor's Report and
Accompanying Notes to the Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lewis County Opportunities, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Lewis County Opportunities, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lewis County Opportunities, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Lewis County Opportunities, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements of Lewis County Opportunities, Inc. were disclosed during the audit. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Lewis County Opportunities, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Lewis County Opportunities, Inc. expresses an unmodified opinion on the major federal programs.
6. The programs tested as major programs include:

Weatherization Assistance for Low-Income Persons	81.042
Low-Income Home Energy Assistance	93.568
7. The threshold used for distinguishing between Type A and B programs was \$750,000.
8. Lewis County Opportunities, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

No findings to report.

**FINDINGS AND QUESTIONED COSTS - MAJOR
FEDERAL AWARD PROGRAMS AUDIT**

No findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2021

PRIOR AUDIT FINDINGS

There were no prior year audit findings.



**BOWERS & COMPANY
CPAS PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

May 16, 2022

To the Board of Directors
Lewis County Opportunities, Inc.

We have audited the financial statements of Lewis County Opportunities, Inc. for the year ended December 31, 2021, and have issued our report thereon dated May 16, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 18, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lewis County Opportunities, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation of fixed assets is based on estimated useful lives. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

To the Board of Directors
Lewis County Opportunities, Inc.
May 16, 2022
Page 2

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. During 2021, there were no misstatements noted or to be corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 16, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
Lewis County Opportunities, Inc.
May 16, 2022
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Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Lewis County Opportunities, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company



BOWERS & COMPANY
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

To the Board of Directors and Management
Lewis County Opportunities, Inc.

In planning and performing our audit of the financial statements of Lewis County Opportunities, Inc. as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Lewis County Opportunities, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of a certain matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated May 16, 2022, on the financial statements of Lewis County Opportunities, Inc.

We will review the status of the comment during our next audit engagement. We have already discussed the comment with Organization personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

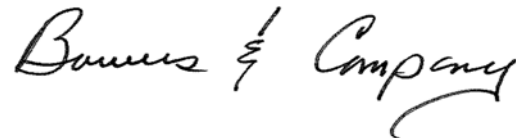
Financial Reporting

Based upon our review of the December 2021 financial reports presented and approved by the Board of Directors, it was noted that the reports are primarily internally prepared summaries and statements and not all reports are generated directly from the general ledger software based on annual operations. It was found that the financial information presented does not include a statement of activities for the Organization for the period under review or the fiscal year.

Recommendation

We recommend that financial reports presented to the Board of Directors include a statement of activities of the Organization as whole and be prepared from the general ledger software. The “Agencywide Line Item Revenues and Expenditures” report is an example of a summarized statement of activities from your general ledger. This enhances transparency and control over financial reporting by providing management and the Board of Directors a full summary of Organization operations. Reports generated directly from the general ledger software are more efficient and ensure reports are accurately presented and not intentionally or unintentionally misstated or manipulated. Additional reports could also be presented to compare budget to actual results of operations based on the agency wide budget.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York
May 16, 2022