

LEWIS COUNTY
OPPORTUNITIES, INC.

FINANCIAL STATEMENTS
December 31, 2023

Table of Contents

LEWIS COUNTY OPPORTUNITIES, INC.

INDEPENDENT AUDITOR’S REPORT	1
AUDITED FINANCIAL STATEMENTS	4
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	9
FEDERAL AWARD PROGRAM INFORMATION	25
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 <i>GOVERNMENT AUDITING STANDARDS</i>	26
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	31
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	34

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, 2023 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 referred to above present fairly, in all material respects, the financial position of Lewis County Opportunities, Inc. as of December 31, 2023, 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, and for 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

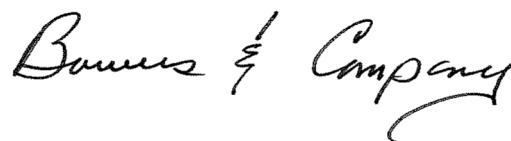
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements 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 schedule of expenditures of federal awards 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 13, 2024 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 13, 2024

AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

December 31, 2023 with Comparative Totals for 2022

	2023	2022
ASSETS		
Unrestricted Cash and Cash Equivalents	\$ 491,878	\$ 486,351
Board Designated Deposits	44,046	46,385
Deposits Held in Trust	34,313	36,640
Certificates of Deposit	360,000	360,000
Grants Receivable	192,310	235,878
Accounts Receivable	100,342	61,951
Accrued Interest Income Receivable	2,071	2,692
Prepaid Expenses	2,945	821
Investments	228,907	200,138
Property Available for Lease, Net	1,074	1,504
Property and Equipment, Net	292,887	306,195
	<u>292,887</u>	<u>306,195</u>
TOTAL ASSETS	<u>\$ 1,750,773</u>	<u>\$ 1,738,555</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 43,257	\$ 37,272
Accrued Payroll and Related Expenses	79,992	78,430
Accrued Expenses	84,974	78,908
Unearned Revenue	90,805	109,928
Deposits Held in Trust	34,313	36,640
	<u>34,313</u>	<u>36,640</u>
Total Liabilities	<u>333,341</u>	<u>341,178</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	1,373,386	1,350,992
Board Designated	44,046	46,385
Total Net Assets Without Donor Restrictions	<u>1,417,432</u>	<u>1,397,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,750,773</u>	<u>\$ 1,738,555</u>

See notes to financial statements.

LEWIS COUNTY OPPORTUNITIES, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023 with Comparative Totals for 2022

	2023	2022
SUPPORT AND REVENUE		
Federal Grants	\$ 1,402,930	\$ 1,768,977
State and Local Grants	192,454	203,537
Program Service Fees	1,462,948	1,047,065
Contributions of Cash	32,034	23,288
Contributions of Nonfinancial Assets	113,495	101,086
Rental Revenue	7,200	7,200
Investment Income, Net	22,009	6,311
Miscellaneous Income	120	-
Net Realized and Unrealized Gain (Loss) on Investments	26,921	(20,425)
	<u>3,260,111</u>	<u>3,137,039</u>
EXPENSES		
Program Services:		
Family Services	306,773	371,434
Domestic Violence & Rape Crisis	504,046	453,955
Housing Assistance	1,548,029	1,521,690
Energy Conservation	452,635	430,023
Management and General	428,573	399,407
	<u>3,240,056</u>	<u>3,176,509</u>
CHANGE IN NET ASSETS	20,055	(39,470)
NET ASSETS, BEGINNING OF YEAR	<u>1,397,377</u>	<u>1,436,847</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,417,432</u></u>	<u><u>\$ 1,397,377</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023 with Summarized Totals for December 31, 2022

	Program Services					Management and General	Totals	
	Family Services	Domestic Violence & Rape Crisis	Housing Assistance	Energy Conservation	Total		2023	2022 (Summarized)
Salaries and Wages	\$ 160,169	\$ 228,954	\$ 418,550	\$ 208,743	\$ 1,016,416	\$ 292,476	\$ 1,308,892	\$ 1,202,484
In-Kind Wages	-	109,253	-	-	109,253	-	109,253	101,086
Payroll Taxes and Benefits	27,856	48,726	86,553	48,016	211,151	41,842	252,993	237,248
Total Payroll and Related Expenses	188,025	386,933	505,103	256,759	1,336,820	334,318	1,671,138	1,540,818
Administrative Costs	-	-	-	1,862	1,862	574	2,436	2,920
Advertising	-	9,548	736	282	10,566	636	11,202	14,477
Conferences and Seminars	842	396	-	6,016	7,254	251	7,505	16,999
Consumer Housing / Other Assistance	35,541	40,413	896,908	1,534	974,396	-	974,396	971,223
Contracted Services	8,400	533	29,811	58	38,802	2,354	41,156	88,324
Copier Pooled Costs	260	257	1,902	81	2,500	-	2,500	3,055
Donations	-	-	-	-	-	4,854	4,854	383
Dues and Subscriptions	7,582	500	2,702	1,978	12,762	4,554	17,316	14,551
Insurance	-	1,292	9,262	6,057	16,611	7,803	24,414	25,328
Occupancy Pooled Costs	16,330	15,000	18,305	9,571	59,206	8,411	67,617	58,461
Office Expense	1,892	7,587	14,579	5,693	29,751	1,486	31,237	26,919
Postage and Printing	1,302	5,777	14,077	2,453	23,609	303	23,912	20,062
Professional Fees	6,665	8,582	18,997	5,313	39,557	29,924	69,481	70,287
Program Supplies and Expenses	27,605	11,814	-	129,944	169,363	3,431	172,794	176,991
Repairs and Maintenance	5,889	1,944	3,436	9,430	20,699	4,693	25,392	46,351
Telephone	2,033	2,656	2,043	2,013	8,745	4,380	13,125	14,983
Travel	-	983	1,773	6,588	9,344	-	9,344	8,699
Vehicle Pooled Costs	2	2,395	5,580	505	8,482	1,594	10,076	12,077
Volunteer and Employee Recognition	-	135	593	-	728	12,242	12,970	9,778
Credit Losses	-	-	-	-	-	-	-	11,331
Depreciation	4,405	7,301	22,222	6,498	40,426	6,765	47,191	42,492
Total Expenses	\$ 306,773	\$ 504,046	\$ 1,548,029	\$ 452,635	\$ 2,811,483	\$ 428,573	\$ 3,240,056	\$ 3,176,509

See notes to financial statements.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023 with Comparative Totals for 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grantors and Contributors	\$ 1,655,622	\$ 2,002,489
Cash Received from Service Recipients	1,425,791	1,020,116
Investment Income Received	22,630	3,817
Cash Paid to Employees and Suppliers	<u>(3,067,881)</u>	<u>(3,011,526)</u>
Net Cash Provided By Operating Activities	<u>36,162</u>	<u>14,896</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Certificates of Deposit and Investments	310,370	393,180
Purchase of Certificates of Deposit and Investments	(312,218)	(393,892)
Purchase of Property and Equipment	<u>(33,453)</u>	<u>(41,100)</u>
Net Cash Used In Investing Activities	<u>(35,301)</u>	<u>(41,812)</u>
Increase (Decrease) in Cash and Cash Equivalents	861	(26,916)
Cash and Cash Equivalents, Beginning of Year	<u>569,376</u>	<u>596,292</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 570,237</u></u>	<u><u>\$ 569,376</u></u>
CASH AND CASH EQUIVALENTS		
Unrestricted Cash and Cash Equivalents	\$ 491,878	\$ 486,351
Board Designated Deposits	44,046	46,385
Deposits Held in Trust	<u>34,313</u>	<u>36,640</u>
Total Cash and Cash Equivalents	<u><u>\$ 570,237</u></u>	<u><u>\$ 569,376</u></u>

See notes to financial statements.

STATEMENT OF CASH FLOWS – CONTINUED

Year Ended December 31, 2023 with Comparative Totals for 2022

	2023	2022
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 20,055	\$ (39,470)
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided By Operating Activities:		
Depreciation	47,191	42,492
Unrealized (Gain) Loss on Investments	(14,254)	27,225
Realized Gain on Sale of Investments	(12,667)	(6,800)
Credit Losses	-	11,331
 (Increase) Decrease in Operating Assets:		
Grants Receivable	43,568	(38,543)
Accounts Receivable	(38,391)	(40,966)
Accrued Interest Income Receivable	621	(2,494)
Prepaid Expenses	(2,124)	87
 Increase (Decrease) in Operating Liabilities:		
Accounts Payable	5,985	19,589
Accrued Payroll and Related Expenses	1,562	(859)
Accrued Expenses	6,066	2,588
Unearned Revenue	(19,123)	30,394
Deposits Held in Trust	(2,327)	10,322
	<u>\$ 36,162</u>	<u>\$ 14,896</u>
Net Cash Provided By Operating Activities	<u>\$ 36,162</u>	<u>\$ 14,896</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

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, 2023 and 2022, approximately 49% and 63% 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, 2023 with Comparative Totals for 2022

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. At December 31, 2023 and 2022 cash equivalents were approximately \$3,000 and \$4,000, respectively.

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, 2023 and 2022, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for credit losses is necessary.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

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. At December 31, 2023 and 2022, management considered all receivables to be fully collectible; accordingly, no allowance for credit losses has been recorded. A considerable amount of judgement is required when determining expected credit losses. Estimates of such losses are recorded when management believes a customer, or group of customers, may not be able to meet their financial obligations due to deterioration in financial condition or credit rating. Factors relevant to the assessments include prior collection history, the related aging of past due balances, projections of credit losses based on historical trends in credit quality indicators or past events, and forecasts of future economic conditions. Receivables are charged to expense when they are determined to be uncollectible.

Receivables from contracts with agencies are a component of accounts receivable on the Statement of Financial Position. At December 31, 2023, 2022, and January 1, 2022, \$100,342, \$61,951, and \$20,985, respectively, represent receivables from contracts with agencies.

Investments

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

Property and Equipment, Net

Property and equipment, net 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment, Net – Continued

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.

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.

Contributions of Nonfinancial Assets

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

Contributions

Contributions 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023 and 2022.

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 2020, 2021, and 2022. 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2022, from which the summarized information was derived.

Date of Management's Review

Management has evaluated subsequent events and transactions that occurred between December 31, 2023 through May 13, 2024, 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.

Recent Accounting Pronouncements

Effective January 1, 2023, Lewis County Opportunities, Inc. adopted ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. Lewis County Opportunities, Inc. adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to ASU 2016-13 include accounts receivables. The adoption of this ASU did not have a material impact on the financial statements but did change how the allowance for credit losses is determined.

NOTE 3 – CERTIFICATES OF DEPOSIT

Certificates of deposit, valued at cost, totaled \$360,000 for the years ended December 31, 2023 and 2022, and are held at Morgan Stanley. The certificates bear interest ranging from 4.8% to 5.4% 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consist of the following at December 31:

	2023	2022
NYS Department of State	\$ 73,383	\$ 21,109
NYS Office of Children and Family Services	15,146	24,954
NYS Division of Housing and Community Renewal	22,004	12,016
County of Lewis	21,747	8,560
NYS Division of Criminal Justice	37,006	32,269
Jefferson County Department of Social Services	-	115,530
NYS Office of Victim Services	20,278	20,205
Lewis County Office for the Aging	-	1,125
NYS Governors Traffic Safety Committee	2,746	110
	<u>192,310</u>	<u>235,878</u>
Total Grants Receivable	\$ 192,310	\$ 235,878

NOTE 5 – INVESTMENTS

Investments as of December 31, 2023 are summarized as follows:

	Cost	Fair Value	Carrying Value
Equity Securities	<u>\$ 156,333</u>	<u>\$ 228,907</u>	<u>\$ 228,907</u>

Investments as of December 31, 2022 are summarized as follows:

	Cost	Fair Value	Carrying Value
Equity Securities	<u>\$ 141,819</u>	<u>\$ 200,138</u>	<u>\$ 200,138</u>

The equity securities are held at Morgan Stanley. The Organization recognized an unrealized gain (loss) of \$14,254 and (\$27,225) for the years ended December 31, 2023 and 2022, respectively. The Organization also recognized realized gains of \$12,667 and \$6,800 for the years ended December 31, 2023 and 2022, respectively. Expenses related to investment revenues, including custodial fees and investment advisory fees, amounted to \$3,526 and \$3,461 for the years ended December 31, 2023 and 2022, respectively, and have been netted against investment income in the accompanying Statement of Activities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 6 – PROPERTY AVAILABLE FOR LEASE, NET

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

	2023	2022
Building and Improvements	\$ 10,456	\$ 10,456
Less: Accumulated Depreciation	<u>(9,382)</u>	<u>(8,952)</u>
 Total Property Available for Lease, Net	 <u>\$ 1,074</u>	 <u>\$ 1,504</u>

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, 2025. The following is a schedule of years for future minimum rentals under the lease as of December 31, 2023:

2024	\$ 7,200
2025	<u>4,800</u>
Total	<u>\$ 12,000</u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31:

	2023	2022
Land	\$ 10,550	\$ 10,550
Buildings and Improvements	866,665	866,665
Equipment	173,377	172,590
Vehicles	<u>155,182</u>	<u>174,761</u>
	1,205,774	1,224,566
 Less: Accumulated Depreciation	 <u>(912,887)</u>	 <u>(918,371)</u>
Total Property and Equipment, Net	 <u>\$ 292,887</u>	 <u>\$ 306,195</u>

LEWIS COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 8 – UNEARNED REVENUE

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

	2023	2022
Unearned Revenue, Beginning of Year	\$ 109,928	\$ 79,534
Revenue Recognized that was Included in Unearned Revenue at the Beginning of the Year	(88,340)	(79,534)
Increase in Unearned Revenue due to Cash Received During the Year:		
NYS Division of Housing and Community Renewal	21,927	33,061
NYS Office of Children and Family Services	23,646	50,806
Lewis County Department of Social Services	5,998	23,705
Lewis County Office for the Aging	6,398	-
TJX Foundation	7,318	-
Excellus	-	500
Other	3,930	1,856
Unearned Revenue, End of Year	<u>\$ 90,805</u>	<u>\$ 109,928</u>

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:

	2023	2022
DV Unrestricted	\$ 4,039	\$ 4,031
Food Pantry	16,007	19,040
Critical Needs	20,000	20,000
Thrift Store	4,000	3,314
Total Board Designated Net Assets	<u>\$ 44,046</u>	<u>\$ 46,385</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 10 – GRANT REVENUES

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

Funding Source	Grant Name	State and Local Grants	
		2023	2022
County of Lewis	OFA Mobility	\$ 43,602	\$ 75,000
Lewis County Department of Social Services	Safe Harbour	31,350	18,883
NYS Division of Criminal Justice	Legislative Initiatives and Rape Crisis	95,255	92,168
Excellus	Food Grant	1,000	2,489
Northern New York Community Foundation	Various	2,545	2,482
TJX Foundation	Food Grant	2,683	-
Other	In-Kind Grants	<u>16,019</u>	<u>12,515</u>
Total State & Local Grants		<u>\$ 192,454</u>	<u>\$ 203,537</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 10 – GRANT REVENUES – Continued

Funding Source	Grant Name	Federal Grants	
		2023	2022
NYS Division of Housing & Community Renewal	HEAP Weatherization	\$ 163,518	\$ 269,752
	Weatherization Assistance	302,733	169,524
NYS Department of State	CSBG	248,168	348,254
NYS Office of Victim Services	Crime Victim Assistance	77,952	97,512
NYS Office of Children & Family Services	Family Violence Prevention	121,226	72,010
NYS Division of Criminal Justice	Violence Against Women	50,000	50,000
National Board Program	Emergency Food & Shelter	15,997	32,103
County of Lewis	DV TANF/DSS	74,185	48,314
County of Jefferson	Continuum of Care	344,128	679,898
NYS Traffic Safety	Child Passenger Safety	5,023	1,610
	Total Federal Grants	\$ 1,402,930	\$ 1,768,977

NOTE 11 – PROGRAM SERVICE FEES

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

	2023	2022
Housing Assistance Program:		
Jefferson/Lewis Counties	\$ 1,230,318	\$ 913,611
Other Sources	232,630	133,454
	\$ 1,462,948	\$ 1,047,065

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 12 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization recognizes in-kind contributed services 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. Contributed services from volunteers are valued at the estimated fair value based on current rates for similar counseling services. The total value of donated services recognized for the years ended December 31 is as follows:

	2023	2022
Certified Rape Crisis Counselors	<u>\$ 109,253</u>	<u>\$ 101,086</u>

Contributed 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 \$4,242 and \$-0- for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, advertising costs totaled \$11,202 and \$14,477, 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, 2023 and 2022, the Organization contributed \$64,904 and \$60,253, respectively, to the plan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

NOTE 15 – CONCENTRATION OF CREDIT RISK

The Organization has cash and cash equivalents held in accounts at a local bank with bank balances of \$203,321 and \$237,961 at December 31, 2023 and 2022, respectively. Uninsured and uncollateralized amounts totaled \$-0- for both years ended December 31, 2023 and 2022.

The Organization also has accounts at Morgan Stanley in the amount of \$790,598 and \$942,705 at December 31, 2023 and 2022, 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, 2023 and 2022.

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, 2023 with Comparative Totals for 2022

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, 2023 and 2022.

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, 2023:

	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 228,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,907</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 200,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,138</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 with Comparative Totals for 2022

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, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date.

	2023	2022
Financial Assets:		
Unrestricted Cash And Cash Equivalents	\$ 491,878	\$ 486,351
Board Designated Deposits	44,046	46,385
Certificates of Deposits	360,000	360,000
Deposits Held in Trust	34,313	36,640
Grants Receivable	192,310	235,878
Accounts Receivable	100,342	61,951
Accrued Interest Income Receivable	2,071	2,692
Investments	<u>228,907</u>	<u>200,138</u>
Total Financial Assets as of December 31	<u>1,453,867</u>	<u>1,430,035</u>
Less those Unavailable for General Expenditures Within One Year:		
Board Designated Deposits	(44,046)	(46,385)
Certificates of Deposit with Maturities in Excess of One Year	(145,000)	(115,000)
Deposits Held In Trust	<u>(34,313)</u>	<u>(36,640)</u>
Total Financial Assets Unavailable for General Expenditures Within One Year	<u>(223,359)</u>	<u>(198,025)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,230,508</u>	<u>\$ 1,232,010</u>

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

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, 2023, 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 13, 2024.

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 purpose 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.

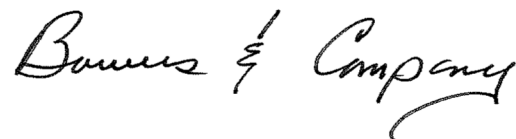
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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.

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 13, 2024

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, 2023. 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, 2023.

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.

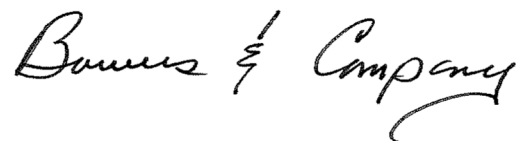
Report on Internal Control over Compliance

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 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.

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 date and location information.

Watertown, New York
May 13, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2023

Federal Grantor/Pass-through Grant/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health and Human Services			
477 Cluster:			
Passed Through NYS Department of State:			
Community Services Block Grant	93.569	C1001468	\$ 248,168
Passed Through County of Lewis:			
Temporary Assistance for Needy Families	93.558	N/A	50,185
Total 477 Cluster			298,353
Passed Through NYS Division of Housing & Community Renewal:			
Low-Income Home Energy Assistance	93.568	C095350-22	76,564
Low-Income Home Energy Assistance	93.568	C095350-23	86,954
Passed Through NYS Office of Children & Family Services:			
COVID-19: Family Violence Prevention & Services - ARPA	93.497	N/A	13,764
COVID-19: Family Violence Prevention & Services - ARPA	93.671	N/A	39,546
Family Violence Prevention & Services	93.671	C028825	67,916
Passed Through County of Lewis:			
Social Services Block Grant	93.667	N/A	24,000
Total U.S. Department of Health and Human Services			607,097
U.S. Department of Energy			
Passed Through NYS Division of Housing & Community Renewal:			
Weatherization Assistance for Low-Income Persons	81.042	C095350-23	131,388
Weatherization Assistance for Low-Income Persons	81.042	C096350-23	171,345
Total U.S. Department of Energy			302,733
U.S. Department of Homeland Security			
COVID-19: Emergency Food & Shelter National Board			
Program - ARPA-R	97.024	N/A	6,247
Emergency Food & Shelter National Board Program	97.024	N/A	9,750
Total U.S. Department of Homeland Security			15,997
U.S. Department of Justice			
Passed Through NYS Office of Victim Services:			
Crime Victim Services	16.575	C11294GG	77,952
Passed Through NYS Division of Criminal Justice:			
Violence Against Women Formula Grants	16.588	C00248GG	50,000
Total U.S. Department of Justice			127,952
Subtotal to Next Page			\$ 1,053,779

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, 2023

Federal Grantor/Pass-through Grant/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Subtotal from Previous Page			\$ 1,053,779
U.S. Department of Transportation			
Passed Through NYS Governors Traffic Safety Committee:			
National Priority Safety Programs	20.616	I-00137-025	2,277
National Priority Safety Programs	20.616	I-00045-025	2,746
Total U.S. Department of Transportation			5,023
U.S. Department of Housing & Urban Development			
Passed Through County of Jefferson, New York:			
Continuum of Care Program	14.267	N/A	344,128
Total U.S. Department of Housing & Urban Development			344,128
Total Federal Awards			\$ 1,402,930

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, 2023

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, 2023. 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, 2023

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. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal programs for Lewis County Opportunities, Inc.
7. The programs tested as major programs include:

Weatherization Assistance for Low-Income Persons	81.042
--	--------
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. 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.

May 13, 2024

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, 2023, and have issued our report thereon dated May 13, 2024. 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 June 20, 2023. 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. As described in Note 2, the Organization changed accounting policies related to accounts receivable by adopting FASB Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)* in 2023. Accordingly, the accounting change utilized the modified retrospective approach with no change to beginning net assets. 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.

To the Board of Directors
Lewis County Opportunities, Inc.
May 13, 2024
Page 2

Management's estimate of the functional expense allocation is based on time and effort. We evaluated the methods, assumptions, and data used to develop the expense allocations 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.

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 2023, 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 13, 2024.

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.

To the Board of Directors
Lewis County Opportunities, Inc.
May 13, 2024
Page 3

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.

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