

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	6
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	12
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENTS OF FINANCIAL POSITIONS	40
CONSOLIDATING STATEMENTS OF ACTIVITIES	42
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES	44
PARENT COMPANY'S STATEMENT OF PROGRAM EXPENSES	47



INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action Committee
of the Lehigh Valley, Inc. and Subsidiaries
Bethlehem, Pennsylvania

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries as of June 30, 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 (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries and to meet our 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.

Change in Accounting Principle

As described in Note 1 to the consolidated financial statements, in 2023, Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating leases with terms greater than one-year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, consolidating statements of activities, consolidating statements of functional expenses and the parent company's statement of program expenses (collectively, the supplementary information) are presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

Board of Directors
Community Action Committee
of the Lehigh Valley, Inc. and Subsidiaries

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
October 30, 2024

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 12,173,628	\$ 11,492,127
Restricted Cash	2,270,794	2,850,108
Grants Receivable	1,972,209	2,325,865
Unconditional Promises to Give	27,504	264,794
Program Loans Receivable, Net of Loss Reserve	44,017	69,754
Inventory	1,315,662	2,045,638
Property Inventory, Net of Loss of Reserve	566,545	565,383
Prepaid Expenses	396,676	360,615
Total Current Assets	18,767,035	19,974,284
 PROPERTY AND EQUIPMENT, NET OF DEPRECIATION	 6,577,342	 6,922,381
 OPERATING LEASE RIGHT OF USE ASSET, NET OF AMORTIZATION	 22,882	 -
 OTHER ASSETS		
Program Loans Receivable, Net of Current Portion	2,817,583	1,687,950
Total Other Assets	2,817,583	1,687,950
Total Assets	\$ 28,184,842	\$ 28,584,615

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2023 AND 2022**

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 1,183,375	\$ 539,438
Line of Credit	175,000	75,000
Operating Lease Liabilities - Current Portion	15,146	-
Accounts Payable	746,034	630,327
Accrued Interest	11,789	9,875
Accrued Wages	111,666	284,376
Compensated Absences	156,800	140,551
Refundable Advances	5,060,506	2,350,405
Custodial Funds	15,636	3,630
Total Current Liabilities	7,475,952	4,033,602
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Maturities	2,050,962	2,132,122
Operating Lease Liabilities - Long Term	7,736	-
Loans Held for Others	943,988	931,108
Total Noncurrent Liabilities	3,002,686	3,063,230
Total Liabilities	10,478,638	7,096,832
NET ASSETS		
Without Donor Restrictions	10,939,473	14,034,167
With Donor Restrictions	6,766,731	7,453,616
Total Net Assets	17,706,204	21,487,783
Total Liabilities and Net Assets	\$ 28,184,842	\$ 28,584,615

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants, Private	\$ 2,183,839	\$ 3,216,871	\$ 5,400,710
Grants. Government	19,021,464	2,036,045	21,057,509
Donated Food Products	22,655,310	-	22,655,310
Shared Maintenance Fee	30,000	-	30,000
Program Services	1,437,318	-	1,437,318
Interest Income	66,708	-	66,708
Gain (Loss) on Sale of Homes	8,485	-	8,485
Total	<u>45,403,124</u>	<u>5,252,916</u>	<u>50,656,040</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>5,939,801</u>	<u>(5,939,801)</u>	<u>-</u>
Total Revenue and Support	51,342,925	(686,885)	50,656,040
EXPENSES			
Program	49,501,656	-	49,501,656
Supporting Services:			
Management and General	4,491,446	-	4,491,446
Fundraising	444,517	-	444,517
Total Expenses	<u>54,437,619</u>	<u>-</u>	<u>54,437,619</u>
CHANGES IN NET ASSETS	(3,094,694)	(686,885)	(3,781,579)
Net Assets - Beginning of Year	<u>14,034,167</u>	<u>7,453,616</u>	<u>21,487,783</u>
NET ASSETS - END OF YEAR	<u>\$ 10,939,473</u>	<u>\$ 6,766,731</u>	<u>\$ 17,706,204</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants, Private	\$ 2,082,677	\$ 3,802,039	\$ 5,884,716
Grants. Government	30,276,079	9,583,704	39,859,783
Donated Food Products	14,997,837	-	14,997,837
Shared Maintenance Fee	77,519	-	77,519
Program Services	1,761,798	-	1,761,798
Interest Income	4,483	2,349	6,832
Gain on Sale of Homes	(10,481)	-	(10,481)
Total	<u>49,189,912</u>	<u>13,388,092</u>	<u>62,578,004</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Total Revenue and Support	<u>13,416,447</u>	<u>(13,416,447)</u>	<u>-</u>
	62,606,359	(28,355)	62,578,004
EXPENSES			
Program	58,967,196	-	58,967,196
Supporting Services:			
Management and General	2,984,005	-	2,984,005
Fundraising	575,642	-	575,642
Total Expenses	<u>62,526,843</u>	<u>-</u>	<u>62,526,843</u>
CHANGES IN NET ASSETS			
	79,516	(28,355)	51,161
Net Assets - Beginning of Year	<u>13,954,651</u>	<u>7,481,971</u>	<u>21,436,622</u>
NET ASSETS - END OF YEAR	<u>\$ 14,034,167</u>	<u>\$ 7,453,616</u>	<u>\$ 21,487,783</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program	Management and General	Fundraising	Total
PERSONNEL				
Salaries and Wages	\$ 3,588,973	\$ 2,003,931	\$ 244,526	\$ 5,837,430
Employee Benefits/Payroll Taxes	1,448,871	835,519	80,744	2,365,134
Conferences and Training	82,956	45,351	-	128,307
Travel	68,201	18,730	-	86,931
Total Personnel	<u>5,189,001</u>	<u>2,903,531</u>	<u>325,270</u>	<u>8,417,802</u>
OTHER				
Advertising and Promotion	84,385	1,992	-	86,377
Bad Debt Expense	-	490,449	-	490,449
Computer Tech Support	1,607	-	-	1,607
Contracted Services/Assistance	13,446,490	9,616	-	13,456,106
Depreciation	393,589	117,829	-	511,418
Dues and Subscriptions	55,688	16,858	-	72,546
Equipment Maintenance and Repairs	214,342	10,578	-	224,920
Facility Maintenance and Utilities	254,336	110,048	-	364,384
Food Distributions	25,482,117	-	-	25,482,117
Grants - Southside Revitalization	334,465	-	-	334,465
Insurance	82,385	82,270	-	164,655
Interest	48,435	1,659	-	50,094
Provision for Loan Losses	121,883	-	-	121,883
Minor Equipment Purchase	162,679	114,990	-	277,669
Miscellaneous	29,225	81,168	-	110,393
Occupancy	40,500	-	-	40,500
Payroll Processing	1,780	-	-	1,780
Postage	879	-	10,758	11,637
Printing	2,415	-	108,489	110,904
Professional Fees	1,527,280	416,052	-	1,943,332
Program Contract Costs and Supplies	432,087	-	-	432,087
Project Cost Loss Reserve	(84,000)	-	-	(84,000)
Subgrantee Payments	47,594	-	-	47,594
Supplies	1,179,583	48,734	-	1,228,317
Telephone	76,846	40,683	-	117,529
Utilities	170,196	42,112	-	212,308
Vehicle Operation and Repairs	205,869	2,877	-	208,746
Total Other	<u>44,312,655</u>	<u>1,587,915</u>	<u>119,247</u>	<u>46,019,817</u>
Total Functional Expenses	<u>\$ 49,501,656</u>	<u>\$ 4,491,446</u>	<u>\$ 444,517</u>	<u>\$ 54,437,619</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program	Management and General	Fundraising	Total
PERSONNEL				
Salaries and Wages	\$ 3,078,997	\$ 1,488,360	\$ 339,471	\$ 4,906,828
Employee Benefits/Payroll Taxes	1,396,852	635,651	139,683	2,172,186
Conferences and Training	23,780	42,177	-	65,957
Travel	26,045	11,300	-	37,345
Total Personnel	<u>4,525,674</u>	<u>2,177,488</u>	<u>479,154</u>	<u>7,182,316</u>
OTHER				
Advertising and Promotion	82,636	6,682	-	89,318
Bad Debt Expense	-	24,937	-	24,937
Computer Tech Support	2,811	-	-	2,811
Contracted Services/Assistance	24,328,720	81,330	-	24,410,050
Depreciation	383,898	111,349	-	495,247
Dues and Subscriptions	51,188	33,450	-	84,638
Equipment Maintenance and Repairs	162,116	10,078	-	172,194
Facility Maintenance and Utilities	189,986	70,429	-	260,415
Food Distributions	16,670,648	-	-	16,670,648
Grants - Southside Revitalization	7,710,826	-	-	7,710,826
Insurance	85,296	63,412	-	148,708
Interest	47,738	2,816	-	50,554
Provision for Loan Losses	10,933	-	-	10,933
Minor Equipment Purchase	278,129	21,624	-	299,753
Miscellaneous	60,037	26,159	-	86,196
Occupancy	45,150	-	-	45,150
Payroll Processing	1,140	-	-	1,140
Postage	44,453	-	11,097	55,550
Printing	52,625	-	85,391	138,016
Professional Fees	1,921,899	255,902	-	2,177,801
Program Contract Costs and Supplies	764,089	-	-	764,089
Project Cost Loss Reserve	348,000	-	-	348,000
Supplies	806,519	17,753	-	824,272
Telephone	88,446	49,731	-	138,177
Utilities	132,757	28,276	-	161,033
Vehicle Operation and Repairs	171,482	2,589	-	174,071
Total Other	<u>54,441,522</u>	<u>806,517</u>	<u>96,488</u>	<u>55,344,527</u>
Total Functional Expenses	<u>\$ 58,967,196</u>	<u>\$ 2,984,005</u>	<u>\$ 575,642</u>	<u>\$ 62,526,843</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (3,781,579)	\$ 51,161
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	511,418	495,247
Provision for Loan Losses	121,882	10,933
Noncash Loss Provision	(84,000)	348,000
(Increase) Decrease in Assets:		
Grants Receivable	353,656	(537,882)
Unconditional Promises to Give	237,290	(229,278)
Inventory	729,976	(148,599)
Property Inventory	82,838	(415,741)
Prepaid Expenses	(36,061)	(69,808)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	115,707	(33,019)
Accrued Wages	(172,710)	(258,236)
Accrued Interest	1,914	-
Compensated Absences	16,249	8,443
Refundable Advances	2,710,101	(10,576,639)
Custodial Funds	12,006	(50,005)
Loans Held for Others	12,880	8,440
Net Cash Provided by (Used in) Operating Activities	831,567	(11,396,983)
CASH FLOWS FROM INVESTING ACTIVITIES		
Release of Investments	-	319,683
Program Loans Dispersed	(1,974,835)	(761,080)
Program Loans Repaid	749,057	1,257,251
Purchase of Property and Equipment	(166,379)	(124,572)
Net Cash Provided (Used) by Investing Activities	(1,392,157)	691,282
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (Payments) on Line of Credit	100,000	(100,000)
Proceeds from Notes Payable	1,000,000	-
Payments on Notes Payable	(437,223)	(30,761)
Net Cash Provided (Used) by Financing Activities	662,777	(130,761)
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	102,187	(10,836,462)
Cash and Restricted Cash - Beginning of Year	14,342,235	25,178,697
CASH AND RESTRICTED CASH - END OF YEAR	\$ 14,444,422	\$ 14,342,235
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for:		
Interest	\$ 39,024	\$ 41,452

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
RECONCILIATION OF CASH AND RESTRICTED CASH TO CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 12,173,628	\$ 11,492,127
Restricted Cash	2,270,794	2,850,108
Total	\$ 14,444,422	\$ 14,342,235

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 ORGANIZATION AND PURPOSE

Nature of Operations

Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries (the Organization) consists of six not-for-profit organizations incorporated under the laws of the Commonwealth of Pennsylvania. Major program revenue consists of private funds from utility contracts, corporate, foundation and individual contributions and governmental contracts. It is understood that any grantor or contributor could be lost in the near term.

Consolidation Policy

The accompanying consolidated financial statements include the accounts of the following companies, all of which are under common control, intercompany transactions have been eliminated from the consolidated financial statements:

Community Action Committee of the Lehigh Valley, Inc. (CACLV)

CACLV is the parent corporation and a description of the Organization's programs is as follows:

Weatherization Program

The Weatherization Program is a collection of energy-related services designed to conserve energy and save money on home heating and cooling costs. The program makes improvements to both single-family and multi-family homes, including infiltration prevention, water heater wraps, and insulation. To complement these physical improvements, the agency also educates residents in energy conservation and lead paint hazards. The Weatherization Program repairs or replaces heating systems in cold weather emergency situations for qualified low-income households.

Sixth Street Shelter/Turner Street Apartments/Ferry Street Apartments

The Sixth Street Shelter provides temporary housing (60-90 days) for homeless families with children. Shelter staff assists families to stabilize their crisis, save money, relocate to permanent housing, and obtain other appropriate services such as job training and child care.

Turner Street Apartments in Allentown and Ferry Street Apartments in Easton provide long-term transitional housing (up to two years) for families that have been homeless. Services are similar to those offered at the Sixth Street Shelter; however, families in these programs are expected to pursue vocational training or education as a condition of their stay, with an intended outcome of economic self-sufficiency.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)

Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)

Second Harvest Food Bank of the Lehigh Valley and Northeast Pennsylvania (SHFB)

Second Harvest Food Bank of the Lehigh Valley and Northeast Pennsylvania (Second Harvest) distributes food to more than 200 non-profit "member" agencies that provide food assistance to people in need. These agencies include soup kitchens, day care centers, homeless shelters, residential rehabilitation services and emergency food pantries. As an affiliate of Feeding America (formerly America's Second Harvest), the national food bank network, Second Harvest has access to a portion of the millions of pounds of food solicited annually through the network. The food becomes available for a variety of reasons, including corporate generosity, food that is improperly weighed or packaged, product that is approaching the expiration date and producer's need for warehouse space. Additionally, Second Harvest solicits donations from local food producers, retailers and private citizens. Member agencies may acquire these products for free or for a shared maintenance fee of up to 16 cents per pound. Second Harvest is able to pick up donated product from donors and deliver the product to the member agencies.

- The Seed Farm provides affordable access to critical and otherwise prohibitively expensive resources—such as land, infrastructure, equipment, and mentoring—thereby lowering the barriers to farm entry so that beginning farmers may pursue careers in agriculture. Since 2010, TSF has provided intensive, full-season training in production, marketing, business planning, and equipment operation to dozens of beginning farmers looking to start farms.

Housing Counseling Program (HCP)

Housing Counseling Program aims to increase homeownership, stabilize neighborhoods and build community wealth, particularly for minorities and low- to moderate-income households. This is accomplished through the provision of home ownership opportunities, which includes the Home Ownership Counseling Program that provides first-time homebuyer educational seminars; pre-purchase counseling; pre-settlement counseling; financial literacy education; and the Home Ownership Savings Account Program, which requires the participant to save \$20 per week for two years, for a total of \$2,000 that will be matched for a combined total of \$4,000 to be used toward purchasing an owner-occupied home. HCP also provides foreclosure prevention services through the Foreclosure Mitigation Counseling Program, which provides counseling services to homeowners in default, at risk of default, or facing foreclosure. In addition, the Mortgage Foreclosure Diversion Program, operated by both Lehigh and Northampton County Court of Common Pleas, is a mediation program in the court systems available to owners of single-family homes in foreclosure.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)

Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)

Community Action Homes (CAH)

Community Action Homes will focus resources in targeted areas of the City of Allentown, City of Bethlehem, Northampton County, and Lehigh County in order to undertake the following projects: acquisition/rehab/resale, owner-occupied rehab, owner-occupied facades, multi-unit facades, investor-owned rehabs, commercial facades, “porch paint” projects, and Land Trust duplexes from de-conversions. These improvements will be made to enhance the health, well-being and quality of life of neighborhood residents; increase property values in the surrounding neighborhoods; and create wealth for the residents and revenue for the cities and counties. Our Lehigh Valley Community Land Trust, Housing Counseling Program, and Weatherization programs are all part of Community Action Homes.

Custody/Subcontract Services

CACLV operates a rental assistance clearinghouse to facilitate and monitor the distribution of payments of rental assistance for the counties of Lehigh and Northampton.

CACLV operates as a fiscal agent from the Lehigh County Emergency Rental Assistance Program to facilitate and monitor the distribution of payments.

CACLV partners with United Way of the Greater Lehigh Valley to provide professional support for the Lehigh Valley Food Policy Council, a collective impact group to address the root causes of hunger and food insecurity, lack of access to fresh food, diminishing farmland, and barrier prohibiting success of local food producers.

Campaign for Racial and Ethnic Justice Program

The Campaign for Racial and Ethnic Justice was created to focus on the unique elements that hold people of color back in the pursuit of economic and social justice. Income and wealth disparity in our nation and community are too often drawn along color lines and CACLV created the campaign to seek remedies in the Lehigh Valley.

- Generation Next is a college readiness, access and completion program created to correct disparities in education. The program works with students to achieve college admission, integrate into college life, and complete a post-secondary program.
- SHE (an acronym for She Has Everything) is a strength-based empowerment program that assists girls to develop life skills that promote academic achievement, well-being, healthy relationships, resilience, teamwork, and leadership. The mission of SHE is to create an educational and inspirational environment in which girls build self-esteem, are empowered to change the dynamics in their personal relationships and the greater community, and seize control of their futures, ensuring healthy, fulfilling, and self-sufficient lives.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)

Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)

Campaign for Racial and Ethnic Justice Program (Continued)

- Color Outside the Lines initiative engages the Lehigh Valley in a conversation about race and ethnicity that eliminates barriers to fairness and opportunity, strengthens our community, and leaves no one behind.

Slate Belt Rising

Slate Belt Rising (SBR) is CACLV's multi-municipal neighborhood partnership, the first of its kind in the Commonwealth of Pennsylvania, encompassing the boroughs of Wind Gap, Pen Argyl, Bangor and Portland. SBR's focus includes the beautification of business districts, façade improvements, establishment of committees with community stakeholders, engagement of the region's youth, and relationship building with CACLV programs and other partners in the target areas.

Administration

Administration includes the management of the staff, programs and finances of CACLV and the supportive services that accompany the agency's and subsidiaries' management. Community planning and advocacy are at the core of the agency's mission. Community Action Agencies have a historic purpose of promoting change and advocating for the interests of the poor. Funding for Administration and community planning and advocacy is provided primarily through the Community Services Block Grant (CSBG), although various other funding sources provide partial support.

The subsidiaries of Community Action Committee of the Lehigh Valley are as follows:

**Community Action Development Corporation of the Lehigh Valley, Inc. DBA
Community Action Development Corporation of Allentown (CADCA)**

The mission of this Subsidiary is to assist and promote neighborhood revitalization and community spirit by providing access to economic opportunity, creating and sustaining businesses owned and operated by its neighbors, and empowering people to have a voice in the decisions that affect their lives. CADCA completed the second year for the six year Allentown's Core Neighborhood Partnership Program in collaboration with multiple youth serving community partners.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)

Community Action Development Corporation of Bethlehem, Inc. (CADCB)

The mission of CACLV's subsidiary, Community Action Development Corporation of Bethlehem (CADCB), is to promote social and economic change by fostering business and other economic opportunities within the communities of Bethlehem. CADCB worked together with neighbors to advance a neighborhood-based vision of community and economic development that builds on the strengths and assets of life in South Bethlehem and Northside 2027 neighborhoods by empowering residents and expanding economic opportunity through small business support, housing rehabilitation and advocacy, and community development projects.

Lehigh Valley Community Land Trust (LVCLT)

The mission of CACLV's subsidiary, Lehigh Valley Community Land Trust (LVCLT), is to create and preserve affordable homes for working families. LVCLT is committed to strengthening communities by providing permanent affordable housing for income-qualified households through the development or redevelopment of land and/or the purchase and rehabilitation of real estate in Lehigh Valley.

Rising Tide Community Loan Fund (RTCLF)

This Subsidiary is a certified Community Development Financial Institution (certified by the U.S. Department of the Treasury). The mission of RTCLF is to support prospective, start-up and established small businesses whose risk factors make it difficult to obtain funds from traditional lenders, but who inevitably make up the backbone of a thriving local economy.

Lehigh and Northampton Counties Revolving Loan Fund, Inc. (LNCRLF)

The organization provides loans to small or start-up business ventures, that may not qualify to bank standards, to improve the social welfare of economically depressed or blighted neighborhoods of the community. Donor/investors have loaned funds for use in program lending at no or below market interest.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on loans and the valuation of real estate and food inventory.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service income and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. For the years ended June 30, 2023, 2022 and 2021 there was \$9,250, \$0 and \$0, respectively, deferred revenue for program service income. Accounts receivable related to program service income for the years ended June 30, 2023, 2022, and 2021 are \$86,167, \$213,519, and \$431,158, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Consequently, at June 30, 2023, conditional promises to give of approximating \$4,700,000, have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met. Detail of the promises to give and conditional promises to give are contained in Note 5.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned 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. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2023, 2022 and 2021, the Organization has refundable advances of \$5,002,187, \$2,350,405 and \$12,927,044, respectively. Revenue under the grant contracts for the years ended June 30, 2023 and 2022, was \$21,166,794 and \$39,859,783, respectively. Receivables related to grant contracts of the Organization as of June 30, 2023, 2022, and 2021 are \$1,881,067, \$2,112,346, and \$1,356,825, respectively.

Additionally, sales of real estate included in revenue of CACLV and LVCLT are recorded at the time of closing of the sale when title to and possession of the property improvements are transferred to the buyer. Costs of sales are based on direct costs. Closing costs and sales expense are specifically identified with the house sold and shown as a direct reduction to the sales receipts.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In Kind Contributions

Donated Goods and Services

A portion of the Organization's functions are conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying consolidated financial statements since the volunteers' time does not meet the criteria for recognition. Gifts of donated food and grocery products over which the Organization has control (i.e. variance power) are reported as unrestricted public support and, shortly thereafter, as expense when granted to food rescue organizations.

Below Market In-Kind Interest

RTCLF has several loans payable, as more fully described in Note 12, which are noninterest bearing or bear interest at a below market rate. Interest has been imputed on the RTCLF loans at 2.7% and 2.22% for the years ended June 30, 2023 and 2022. The interest is recorded as an in-kind contribution and in-kind interest expense.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions — Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve and board- designated endowment. Their governing boards have designated certain net assets as of June 30, 2023 and 2022, detail included in Note 14.

Net Assets with Donor Restrictions — Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long- lived assets are recognized as revenue when the assets are placed in service. Donor- imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Detail of net assets with donor restrictions is included in Note 13.

Cash and Cash Equivalents

Cash and cash equivalents, for the purposes of the Consolidated Statements of Cash Flows, includes short-term, highly liquid financial instruments with original maturities of 90 days or less.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as revenue with or without donor restriction depending on the existence and/or nature of any donor restriction. Contributed property and equipment is recorded at fair value at the date of the donation.

Promises to Give

Unconditional written promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

Property and Equipment

CACLV's property and equipment with acquisition costs of \$5,000 or more are recorded at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. All the other subsidiaries' property and equipment with acquisition costs of \$1,000 or more are recorded at cost and depreciated over their estimated useful lives of the assets on the straight-line basis ranging from three to seven years.

Depreciation charged to expense is \$511,418 and \$495,247 for the years ended June 30, 2023 and 2022, respectively.

Land Held in Trust

Land has been received through purchase, bargain purchase or donation. Land purchased at market value is recorded at the net present value of the ground rent. Land acquired by bargain purchase or donation is recorded at fair market value at the date received. Land is transferred from property inventory to land held in trust at the time property is acquired. As of June 30, 2023 and 2022 land held in trust was \$217,186 and 329,547, respectively.

Property Inventory

Property inventory represents costs incurred by CACLV for housing rehabilitation projects. Costs consist primarily of the initial property purchase (including the land cost), rehabilitation costs, and other carrying costs incurred during rehabilitation. Holding costs incurred after a house is ready for sale, such as utilities, maintenance, and interest are charged to expense. Property inventory as of June 30, 2023 and 2022, net of loss reserves, was \$566,545 and \$565,383, respectively.

Program Loans Receivable

Loans are reported for RTCLF and LNCRLF at their recorded investment, which is the outstanding principal balance plus accrued interest and net of any unearned income, such as deferred fees or costs, and charge-offs. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loan Loss Reserve

The allowance for loan losses for RTCLF and LNCRLF reflects management's judgment of probable loan losses inherent in the portfolio at the balance sheet date. The Organizations use a disciplined process and methodology to establish the allowance for loan losses each year. To determine the total allowance for loan losses, management estimates the reserves needed for each segment of the portfolios, including loans analyzed individually and loans analyzed on a collective basis.

To determine the balance of the allowance account, loans are pooled by portfolio segment and losses are modeled using historical experience and quantitative and other mathematical techniques over the loss emergence period and consideration of specific allowance amounts related to loans in excess of 60 days past due.

The establishment of the allowance for loan losses relies on a consistent process that requires multiple layers of management review and judgment and responds to changes in economic conditions, among other influences. From time to time, events or economic factors may affect the loan portfolios, causing management to provide additional amounts to or release balances from the loan loss reserve.

Management monitors differences between estimated and actual incurred loan losses. This monitoring process includes periodic assessments by management of individual loans and the methods used to estimate incurred losses on those loans. Additions to the loan loss reserve are made by charges to the provision for loan losses. Recoveries of previously charged off amounts are credited to the loan loss reserve.

Loan Charge-Offs

For program loans receivable, RTCLF and LNCRLF fully or partially charges off a loan when repayment is deemed to be protracted beyond reasonable time frames.

Compensated Absences

All full-time and full benefit part-time employees earn annual leave benefits. Accordingly, the liability for employees' rights to receive compensation for future absences is recorded as a liability in the accompanying statements of financial position.

Income Taxes

Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries is comprised of six not-for-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, related to uncertain tax positions. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings in determining any uncertain tax positions.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position.

Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the consolidated financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2023 and 2022.

The Parent Organization and each of its subsidiaries file Form 990 - Return of Organization Exempt From Income Tax annually. The Organization's returns for tax years 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

Change in Accounting Principle

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position.

Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. CADCB has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of CADCB's ROU assets.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

The Organization elected the available practical expedients to account for existing capital leases and operating leases as financing leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of \$37,605, which represents the present value of the remaining operating lease payments of \$39,000, discounted using a risk-free rate of 2.84%.

There was no adjustment to net assets as a result of recording the lease liability and ROU asset. The standard had a material impact on the consolidated statement of financial position but did not have a material impact on the consolidated statements of activities and consolidated statements of cash flows.

Financial Statement Reclassifications

Certain amounts in the prior period presented have been reclassified to confirm with current period consolidated financial statement presentation. These reclassifications have no effect on previously reported change in net assets.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets, current portion of operating lease liabilities, and long-term operating lease liabilities on the consolidated statement of financial position.

ROU assets represent the Organizations right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

NOTE 3 LIQUIDITY AND AVAILABILITY

Management and Board of Directors regularly monitors liquidity needed to meet the Organization's operating needs and other contractual commitments. The Organization regularly manages cash resources to maximize any interest earnings and minimize the cost of borrowing. It also has various sources of liquidity at its disposal, including cash and cash equivalents, lines of credit and contractually obligated short-term receivables.

For the purposes of analyzing short-term liquidity needs, the Organization strives to maintain sufficient liquid financial assets to cover two to three months of operating expenses. In addition to the financial assets available, the Organization operates with a balanced budget and anticipates collecting sufficient revenues to cover general operating expenditures.

The breakdown of financial resources as of June 30 available to meet general expenditures within one year of the balance sheet date are listed below:

	2023	2022
Cash and Cash Equivalents	\$ 14,444,422	\$ 14,342,235
Grants Receivable	1,972,209	2,325,865
Unconditional Promises to Give	27,504	264,794
Program Loans Receivable, Net of Loss Reserve	44,017	69,754
Less: Contractual or Donor-Imposed Restriction Making Financial Assets Unavailable for General Expenditure	(11,827,237)	(9,804,021)
Total	<u>\$ 4,660,915</u>	<u>\$ 7,198,627</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 RESTRICTED CASH

Restricted cash as of June 30 was restricted for the following purposes:

	2023	2022
CACLV		
Family and Resident Savings	\$ 15,636	\$ 3,630
Lehigh County Emergency Rental Assistance Program	911,950	1,086,883
True Endowment (SHFB)	5,000	5,000
Total CACLV	932,586	1,095,513
LNCLF		
Lending	452,654	497,853
Total LNCLF	452,654	497,853
RTCLF		
Lending	77,322	180,500
City of Bethlehem Fund	446,606	641,851
Century Fund	-	37,751
Lehigh University	16,699	163,699
Community Development Financial Institutions Fund	159,682	232,941
Bangor Economic Development	110,245	-
PA Council of the Arts	75,000	-
Total RTCLF	885,554	1,256,742
Total Restricted Cash	\$ 2,270,794	\$ 2,850,108

NOTE 5 PROMISES TO GIVE

Unconditional Promises to Give

Contributions arising from unconditional promises to give consist of the following:

	2023	2022
CACLV		
Donor Restricted for Program Costs and Facilities and Equipment	\$ 12,504	\$ 15,628
CACLV		
Donor Restricted for Program Costs	15,000	250,000
Less: Allowance for Pledges Receivable	-	500
Less: Discounts for Pledges Receivable	-	334
Total	\$ 27,504	\$ 264,794

All unconditional promises to give are expected to be realized by June 30, 2024.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 PROMISES TO GIVE (CONTINUED)

Conditional Promises to Give

During the year ended June 30, 2023, CACLV and its subsidiaries received conditional pledges for various purposes. Since these pledges represent conditional promise to give, they are not recorded as contribution revenue until donor conditions are met.

CACLV, CADCA and CADCB have each received conditional pledges from local corporations which have future annual commitments of \$160,000, \$650,000 and \$325,000, respectively, payable over the next five, three and four, respectively, years. Total conditional payments as of June 30, 2023 were \$800,000, \$1,950,000 and \$1,300,000, respectively. All pledges are contingent upon future Commonwealth of Pennsylvania tax credits and approvals under its Neighborhood Partnership Program. Unconditional promises to give related to these pledges, and included in table above, were \$0 and \$250,000 as of June 30, 2023 and 2022, respectively.

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE

Program loans receivable for RTCLF and LNCRLF are comprised of various extensions of credit to small business owners and entrepreneurs of the community. Repayments are due monthly including interest at rates ranging from 4% to 11.5%. Interest income received on loans was \$177,583 and \$172,564 for the years ended June 30, 2023 and 2022, respectively.

Original terms range from 18 to 180 months. Loans receivable are reported delinquent when they become 30 days past due. Loans over 90 days past due are considered delinquent for CDFI funding. Loans that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Allowances for loan losses are established by management based on a review of the creditworthiness of the borrower and historical collections.

During 2020, RTCLF began operation of the Northampton County COVID-19 Small Business Emergency Relief Fund. The program loans have an interest rate of 0% and are from \$3,000 and \$15,000 each. The total amount of these loans included in government and corporate grant micro loans for the years ended June 30, 2023 and 2022 is \$11,062 and \$38,362, respectively.

RTCLF receives grant funding from the City of Bethlehem ("City") to fund loans. The funds must be retained and used to further the loan program on a perpetual basis. All related loans, including accumulated interest and fees, are required to be returned to the City upon request or at the termination of the loan program. As such, the accumulated balance of such activity is maintained as Loans Held for Others on the Consolidated Statement of Financial Position.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Total accumulated grants and related interest as of June 30, 2023 and 2022 were \$943,988 and \$931,108, respectively. These accumulated grants and interest have been reported as noncurrent liabilities as there is no current expectation that the funds would be recalled by the City nor that the program would be terminated.

At June 30, 2023, the \$943,988 was physically comprised of \$497,382 of outstanding loans and \$446,606 of restricted cash as included in Note 4. As of June 30, 2022, the \$931,108 was physically comprised of \$289,257 of outstanding loans and \$641,851 of restricted cash as included in Note 4.

Aggregate loans receivable at June 30 were comprised of the following:

	2023	2022
Micro Loans:		
CDFI Network	\$ 87,590	\$ -
City of Bethlehem	13,641	21,443
Northampton County	132,457	103,177
Lehigh University	16,105	19,105
Investor Loans	17,430	52,721
LNCRLF	14,323	21,275
Unrestricted Funds	533,504	433,745
Total	\$ 815,050	\$ 651,466
Small Business Loans:		
City of Bethlehem	\$ 483,741	\$ 267,814
Northampton County	147,882	121,127
Lehigh University	150,000	-
Investor Loans	31,370	54,683
LNCRLF	50,000	-
Unrestricted Funds	1,408,016	786,527
Total	2,271,009	1,230,151
Gross Loans Outstanding	3,086,059	1,881,617
Loss Reserve	(224,459)	(123,913)
Program Loans Receivable, Net	\$ 2,861,600	\$ 1,757,704

Scheduled annual maturities of term loans receivable at June 30, 2023 are as follows:

Year Ended June 30	Amount
2024	\$ 44,017
2025	38,455
2026	242,800
2027	484,035
2028	545,202
Thereafter	1,731,550
Total	\$ 3,086,059

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

The Organizations have an established a methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the Organization's portfolios. For purposes of determining the allowance for loan losses, the Organizations segment loans in their portfolios by product type. The Organization's loans are segmented into the following pools: Micro Loans and Small Business Loans. Each class of loan requires judgment to determine the estimation method that fits the credit risk characteristics of its portfolio segment.

The following are the factors the Organizations use to determine the balance of the allowance account for each class of loans.

Micro Loans and Small Business Loans

Micro loans and small business loans are evaluated collectively to determine a loss percentage to apply to loans. Loss percentages vary between classes. These loss percentages are based on historical loss experience. For the years ended June 30, 2023 and 2022 the loss percentage used for small business and micro loans was 3%-10%, for both years when evaluated collectively. The Organizations consider the allowance for loan losses of \$224,459 and \$125,290 adequate to cover loan losses inherent in the loan portfolios, as of June 30, 2023 and 2022, respectively. The following table presents by portfolio segment, the changes in the allowance for loan losses and the recorded investment in loans.

<u>Year Ended June 30, 2023</u>	<u>Micro Loans</u>	<u>Small Business Loans</u>	<u>Total</u>
Loan Loss Reserve:			
Beginning Balance	\$ 37,731	\$ 86,182	\$ 123,913
Charge-Offs	(24,521)	-	(24,521)
Recoveries	-	-	-
Provision	31,472	93,595	125,067
Ending Balances	<u>\$ 44,682</u>	<u>\$ 179,777</u>	<u>\$ 224,459</u>
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 25,526	\$ 11,201	\$ 36,727
Collectively	19,156	168,576	187,732
Total	<u>\$ 44,682</u>	<u>\$ 179,777</u>	<u>\$ 224,459</u>
Program Loans Receivables:			
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 126,054	\$ 112,009	\$ 238,063
Collectively	688,996	2,159,000	2,847,996
Total	<u>\$ 815,050</u>	<u>\$ 2,271,009</u>	<u>\$ 3,086,059</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Micro Loans and Small Business Loans (Continued)

<u>Year Ended June 30, 2022</u>	<u>Micro Loans</u>	<u>Small Business Loans</u>	<u>Total</u>
Loan Loss Reserve:			
Beginning Balance	\$ 45,529	\$ 97,471	\$ 143,000
Charge-Offs	(36,120)	-	(36,120)
Recoveries	-	6,100	6,100
Provision	29,699	(17,389)	12,310
Ending Balances	<u>\$ 39,108</u>	<u>\$ 86,182</u>	<u>\$ 125,290</u>
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 26,768	\$ -	\$ 26,768
Collectively	12,340	86,182	98,522
Total	<u>\$ 39,108</u>	<u>\$ 86,182</u>	<u>\$ 125,290</u>
Program Loans Receivables:			
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 87,681	\$ -	\$ 87,681
Collectively	565,162	1,230,151	1,795,313
Total	<u>\$ 652,843</u>	<u>\$ 1,230,151</u>	<u>\$ 1,882,994</u>

Credit Quality Information:

The following tables present the classes of the loan portfolio summarized by aggregate unclassified rating (loans not considered greater than normal risk) and classified ratings of substandard (well defined weakness) and doubtful (unlikely to be paid in full) within the Organization's internal risk rating system as of June 30.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Micro Loans and Small Business Loans (Continued)

Age Analysis of Past Due Financing Receivables by Class:

The following are tables which include an aging analysis of the recorded investment of past due term loans receivables as of June 30.

June 30, 2023	Current	0-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Greater Than 90 Days Past Due	Total Program Loans Receivable
Micro Loans:						
CDFI Network	\$ 72,590	\$ 15,000	\$ -	\$ -	\$ -	\$ 87,590
City of Bethlehem	13,641	-	-	-	-	13,641
Northampton County	79,586	5,317	-	47,554	-	132,457
Lehigh University	-	-	-	-	16,105	16,105
Investor Loans	17,430	-	-	-	-	17,430
LNCRFLF	14,323	-	-	-	-	14,323
Unrestricted Funds	430,754	18,750	-	-	84,000	533,504
Small Business Loans:						
CDFI Network	-	-	-	-	-	-
Northampton County	147,882	-	-	-	-	147,882
Lehigh University	150,000	-	-	-	-	150,000
Investor Loans	31,370	-	-	-	-	31,370
LNCRFLF	-	-	-	50,000	-	50,000
Unrestricted Funds	1,097,976	56,487	-	125,010	128,543	1,408,016
Total	\$ 2,519,394	\$ 95,554	\$ 19,899	\$ 222,564	\$ 228,648	\$ 3,086,059

June 30, 2022	Current	0-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Greater Than 90 Days Past Due	Total Program Loans Receivable
Micro Loans:						
City of Bethlehem	21,443	-	-	-	-	21,443
Northampton County	69,115	34,062	-	-	-	103,177
Lehigh University	-	-	-	-	19,105	19,105
Investor Loans	52,721	-	-	-	-	52,721
LNCRFLF	22,652	-	-	-	-	22,652
Unrestricted Funds	332,304	65,119	11,801	-	24,521	433,745
Small Business Loans:						
Northampton County	121,127	-	-	-	-	121,127
Lehigh University	-	-	-	-	-	-
Investor Loans	54,683	-	-	-	-	54,683
Unrestricted Funds	711,697	74,830	-	-	-	786,527
Total	\$ 1,653,556	\$ 174,011	\$ 11,801	\$ -	\$ 43,626	\$ 1,882,994

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Micro Loans and Small Business Loans (Continued)

As of June 30, 2023, RTCLF holds three forgivable loans receivable consisting of loans given under the Allentown Retail Mosaic Self-Forgiving Loan Program. The loans contain terms that allow the loans to be completely forgiven after five years have passed and the borrower has met certain conditions including job creation provisions. Due to the nature of the loans, they have been completely reserved for since loan inception. Total forgivable loans outstanding as of June 30, 2023 and 2022 were \$45,000 and \$45,000, respectively.

Subsequent to June 30, 2023, two of the loans were forgiven by the City. The remaining loan is expected to be forgiven in October 2025.

NOTE 7 FOOD BANK INVENTORY

Food bank inventory consists of both donated and purchased food. The approximate average wholesale value of one pound of donated food is estimated at \$1.92 and \$1.79 in 2023 and 2022, respectively, based upon amounts provided by Feeding America (formerly named America's Second Harvest). For 2023 and 2022, USDA and CSFP-TEFAP were valued at the USDA commodity's price list and other donated items were valued at the rates established by Feeding America.

The Second Harvest Food Bank is the beneficiary of food contributions from individuals, corporations, and governmental agencies. The total pounds and valuation of food donated during the years ended June 30 is as follows:

2023			
Source	Total Pounds	Value	Valuation Methodology
Federal Donations	3,948,507	\$ 5,846,027	Commodity Price List
Non-Federal Donations	8,893,218	16,809,283	\$1.92 Per Pound
	12,841,725	\$ 22,655,310	
2022			
Source	Total Pounds	Value	Valuation Methodology
Federal Donations	3,149,859	\$ 5,432,357	Commodity Price List
Non-Federal Donations	5,236,219	9,565,481	\$1.79 Per Pound
	8,386,078	\$ 14,997,837	

In addition, the Organization purchases food products to supplement the contributions received. Total amounts expended during the years ended June 30, 2023 and 2022 were \$2,146,011 and \$1,797,785, respectively.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 ENDOWMENT

CACLV's endowment consists of an individual fund established for Second Harvest Food Bank. As of June 30, 2023 and 2022 the Organization has endowment funds of \$5,000.

The Organization has not adopted investment or spending policies for endowment assets. All endowments are considered to be conservatively invested in a bank account.

NOTE 9 LAND HELD IN TRUST

LVCLT maintains title to the land underlying the homes and the homeowner mortgages the physical housing structure. LVCLT leases the land to the homeowner at a monthly rate to be determined for a 99-year term. In addition, the Organization retains a right of first refusal to buy back the building.

LVCLT owns 20 and 31 lots as of June 30, 2023 and 2022, respectively. LVCLT transferred title of 11 and 0 homes to the homeowners during the years ended June 30, 2023 and 2022, respectively.

NOTE 10 LINES OF CREDIT

RTCLF has an unsecured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$100,000 and which requires monthly interest only payments at a fixed rate of 2% on any outstanding balances. As of June 30, 2023 and 2022, the Organization had outstanding borrowings of \$100,000 and \$0, respectively. This line of credit is due on demand with no set expiration date.

RTCLF has a secured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$150,000 and which requires monthly interest only payments at a fixed rate of 5% on any outstanding balances. As of June 30, 2022, the Organization had no outstanding borrowings on this line of credit. Effective April 2023, this line of credit was terminated with no further draws or payments during the year June 30, 2023.

RTCLF has an unsecured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$150,000 and which requires monthly interest only payments at a fixed rate of 2% on any outstanding balances. As of June 30, 2023 and 2022, the Organization had outstanding borrowings of \$75,000. This line of credit is due on demand with no set expiration date.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 11 NOTES PAYABLE

Long-term debt at June 30 consists of the following:

	2023	2022
CACLV		
Mortgage payable to bank in monthly installments of \$2,537, including interest at 4.150%, due April 12, 2024, secured by real estate.	\$ 22,675	\$ 51,793
Mortgage payable to the City of Allentown in annual installments of \$700 or 50% of excess operating proceeds for the property for the year ended June 30. Payments are due annually beginning August 1, 2016 with the entire payment attributable to principal. The note has 0% interest. After 15 years the loan will be forgiven as long as restriction use requirements are met and CACLV remains the owner.	301,662	309,767
Total Debt, CACLV	324,337	361,560
Less: Current Portion	23,375	29,438
Total Debt, CACLV, Noncurrent Portion	\$ 300,962	\$ 332,122
 RTCLF		
Loans payable to various banks, interest varies from noninterest bearing to 2.5%. All loan payments are monthly with interest only payments, Final payments are due on demand or in various periods from July 2023 to December 2030.	\$ 2,775,000	\$ 2,175,000
Loans payable to various individuals, noninterest bearing. Final payments are due in five years from execution date in various periods from October 2022 through January 2027.	135,000	135,000
Total Debt, RTCLF	2,910,000	2,310,000
Less: Current Portion	1,160,000	510,000
Total Debt, RTCLF, Noncurrent Portion	1,750,000	1,800,000
Total Debt, Noncurrent Portion	\$ 2,050,962	\$ 2,132,122

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 11 NOTES PAYABLE (CONTINUED)

Maturities of long-term debt are as follows:

<u>Year Ending June 30</u>	<u>CACLV</u>	<u>RTCLF</u>	<u>Total</u>
2024	\$ 23,375	\$ 1,160,000	\$ 1,183,375
2025	700	215,000	215,700
2026	700	-	700
2027	700	50,000	50,700
2027	700	1,085,000	1,085,700
Thereafter	298,162	400,000	698,162
Total	<u>\$ 324,337</u>	<u>\$ 2,910,000</u>	<u>\$ 3,234,337</u>

Interest expense on debt for the Organization was \$50,094 and \$50,554 for the years ended June 30, 2023 and 2022, respectively.

The long-term debt is subject to several financial covenants, including a loan loss reserve of not less than 7% on the Well Fargo loan balance and a ratio of net assets to total assets of at least .33 to 1. As of June 30, 2023, the Organization was in compliance with these covenants.

NOTE 12 REFUNDABLE ADVANCES

The Organization receives funds under cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Funds received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Refundable advances as of June 30 are shown in the table below.

	<u>2023</u>	<u>2022</u>
CACLV		
Lehigh County Emergency Rental Assistance Program	\$ 1,001,425	\$ 1,050,483
Second Harvest Food Bank	475,729	808,369
Community Action Better Homes	3,348,670	258,612
Total CACLV	<u>4,825,824</u>	<u>2,117,464</u>
RTCLF		
Other	\$ 234,682	\$ 232,941
Total RTCLF	<u>234,682</u>	<u>232,941</u>
Total Refundable Advances	<u>\$ 5,060,506</u>	<u>\$ 2,350,405</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, including assets that were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors, for the years ended June 30 are as follows:

	2023	2022
<i>Subject to Expenditure for Specific Purpose:</i>		
CACLV		
Specific Program Operation	\$ 44,366	\$ 341,770
Second Harvest Food Bank Operations	5,290,317	5,707,527
Total CACLV	5,334,683	6,049,297
CADCA		
Neighborhood Assistance Program	418,629	256,912
Total CADCA	418,629	256,912
CADCB		
Neighborhood Assistance Program	137,680	253,279
Friendship Park	730	41,990
Keystone Communities	-	30,000
Total CADCB	138,410	325,269
RTCLF		
Northampton County Revolving Loan Fund	250,000	250,000
Bangor Economic Development	110,244	
Other Programs		48,808
Total RTCLF	360,244	298,808
LNCRFL		
Revolving Loan Fund	509,765	518,330
Total LNCRFL	509,765	518,330
<i>Endowments Not Subject to Spending Policy or Appropriation:</i>		
Second Harvest Food Bank Perpetual Trust	5,000	5,000
Total CACLV	5,000	5,000
Total Net Assets With Donor Restrictions	\$ 6,766,731	\$ 7,453,616

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions for the years ended June 30 as follows:

	2023	2022
<i>Satisfaction of Purpose Restriction:</i>		
CACLV		
Specific Program Operation	\$ 2,042,363	\$ 1,613,878
Second Harvest Food Bank Operations	2,838,236	3,027,787
Second Harvest Food Bank Building and Equipment	1,687	46,800
Total CACLV	4,882,286	4,688,465
CADCA		
Specific Program Operation	-	18,000
Neighborhood Assistance Program	488,283	738,106
Total CADCA	488,283	756,106
CADCB		
Neighborhood Assistance Program	440,599	122,141
Bethlehem Commercial Rent Subsidy Program	-	50,000
Friendship Park	41,260	8,010
Other Programs	30,000	9,000
Total CADCB	511,859	189,151
LVCLT		
Other Programs	-	104,020
	-	104,020
RTCLF		
COVID-19 Small Business, Loan Loss, and Debt Relief	-	7,640,799
Other Programs	48,808	32,441
Total RTCLF	48,808	7,673,240
LNCRLF		
Revolving Loan Fund	8,565	5,465
Total LNCRLF	8,565	5,465
Total Released from Donor Restrictions	\$ 5,939,801	\$ 13,416,447

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 14 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restriction that have a defined use or purpose as defined by the Organization's Board of Directors are Board designated net assets. Board designation of net assets does not imply donor restriction and the defined use may be changed by board action. Board designated net assets of the Organization relate to the following:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 10,429,468	\$ 13,524,162
Board Designated for:		
Capital Reserve (CACLV)	250,000	250,000
Operating Reserve (CACLV)	250,000	250,000
Endowment (RTCLF)	10,005	10,005
Total	<u>\$ 10,939,473</u>	<u>\$ 14,034,167</u>

NOTE 15 RETIREMENT PLAN

The Organization has a defined contribution retirement plan which covers all employees having one year of service. The Plan provides for participants' pretax contributions to the Plan up to limits defined in Section 401 (k) of the Internal Revenue Code. Under the Plan, the Organization is required to make plan contributions in an amount equal to 7% of eligible participants' compensation.

The Organization's contributions to the Plan were \$275,325 and \$247,284 for the years ended June 30, 2023 and 2022, respectively.

NOTE 16 FUNCTIONALIZED EXPENSES

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, interest, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 17 LEASE COMMITMENTS

2022 – ASC 842

CADCB leases an office space under a long-term, noncancelable lease agreement. The lease expires in December 2024. In the normal course of business, it is expected that this lease will be renewed or replaced by similar leases.

The following tables provide quantitative information concerning CADCB's lease for the year ended June 30, 2023:

Operating lease cost	\$	15,600
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	15,600
Right-of-use assets obtained in exchange for new operating lease liabilities:	\$	37,605
Weighted-average remaining lease term - operating leases		1.4 years
Weighted-average discount rate - operating leases		2.84%

A maturity analysis, by fiscal year, of annual undiscounted cash flows from lease liabilities as of June 30, 2023, is as follows:

2024	\$	15,600
2025		7,800
Undiscounted Cash Flows		<u>23,400</u>
(Less) Imputed Interest		(518)
Total Present Value	\$	<u><u>22,882</u></u>
Short-Term Lease Liabilities	\$	15,146
Long-Term Lease Liabilities		7,736
Total	\$	<u><u>22,882</u></u>

CADCB operating right of use leased assets were \$37,605 and related accumulated amortization was \$14,723, at June 30, 2023.

ACLV and the other subsidiaries lease facilities (including program space), parking space and transportation and office equipment under various operating lease agreements. Rent expense under these agreements was approximately \$83,000 for the year ended June 30, 2023.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 17 LEASE COMMITMENTS (CONTINUED)

2021 – ASC 840

CACLV and the other subsidiaries lease facilities (including program space), parking space and transportation and office equipment under various operating lease agreements. Rent expense under these agreements was approximately \$90,000 for the year ended June 30, 2022. Future lease commitments as of June 30, 2022 were:

Year Ended June 30	CACLV
2024	\$ 85,983
2025	76,008
2026	55,204
2027	12,745
Thereafter	164
Total	\$ 230,104

NOTE 18 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in various bank deposit accounts which at times exceeds the federal insured limits. The financial institutions are considered high quality and the Organization has not experienced any losses in such accounts.

The Organization receives a substantial portion of its support in the form of annual grants from federal, state, and local governmental agencies. This support is dependent on the Organization's continued qualifications for such funding, together with the amounts available to the governmental sources. Accordingly, reductions in this support could have a significant impact on the Organization's operations.

NOTE 19 SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through October 30, 2024, the date the consolidated financial statements were available to be issued.

Subsequent to June 30, 2023, CADCA purchased a building from the Allentown School District with the intent to create a new Youth Center.

Except for the matter disclosed above and that in Note 6, no events or transactions have occurred subsequent to year end that require recognition or disclosure in the consolidated financial statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2023	2022
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 8,000,450	\$ 66,187	\$ 388,260	\$ 87,031	\$ 3,036,070	\$ -	\$ -	\$ 12,173,628	11,492,127
Restricted Cash	932,586	-	-	-	885,554	452,654	-	2,270,794	2,850,108
Grant Receivable	1,962,209	10,000	-	-	-	-	-	1,972,209	2,325,865
Unconditional Promises to Give	27,504	-	-	-	-	-	-	27,504	264,794
Accounts Receivable, Subsidiaries	128,410	32,500	32,500	-	15,490	-	(208,900)	-	-
Program Loans Receivable, Net of 2023 Reserves of \$224,459	-	-	-	-	23,371	20,646	-	44,017	69,754
Inventory	1,315,662	-	-	-	-	-	-	1,315,662	2,045,638
Property Inventory, Net of 2023 Reserves of \$30,000	566,545	-	-	-	-	-	-	566,545	565,383
Prepaid Expenses	345,826	-	850	-	50,000	-	-	396,676	360,615
Total Current Assets	<u>13,279,192</u>	<u>704,317</u>	<u>421,610</u>	<u>87,031</u>	<u>4,010,485</u>	<u>473,300</u>	<u>(208,900)</u>	<u>18,767,035</u>	<u>19,974,284</u>
PROPERTY AND EQUIPMENT, NET	6,348,416	-	-	217,186	11,740	-	-	6,577,342	6,922,381
OPERATING LEASE RIGHT OF USE ASSET	-	-	22,882	-	-	-	-	22,882	-
OTHER ASSETS									
Program Loans Receivable, Net of Current Portion	-	-	-	-	2,779,909	37,674	-	2,817,583	1,687,950
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,779,909</u>	<u>37,674</u>	<u>-</u>	<u>2,817,583</u>	<u>1,687,950</u>
Total Assets	<u>\$ 19,627,608</u>	<u>\$ 704,317</u>	<u>\$ 444,492</u>	<u>\$ 304,217</u>	<u>\$ 6,802,134</u>	<u>\$ 510,974</u>	<u>\$ (208,900)</u>	<u>\$ 28,184,842</u>	<u>\$ 28,584,615</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2023	2022
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Current Portion of Long-Term Debt	23,375	\$ -	\$ -	\$ -	1,160,000	\$ -	\$ -	\$ 1,183,375	\$ 539,438
Line of Credit	-	-	-	-	175,000	-	-	175,000	75,000
Operating Lease Liabilities - Current Portion	-	-	15,146	-	-	-	-	15,146	-
Accounts Payable and Accrued Expenses	668,676	49,046	15,011	(1,250)	14,551	-	-	746,034	630,327
Accounts Payable, Subsidiaries	77,500	88,815	27,313	5,240	8,823	1,209	(208,900)	-	-
Accrued Interest	-	-	-	-	11,789	-	-	11,789	9,875
Accrued Wages	99,349	2,819	3,004	-	6,494	-	-	111,666	284,376
Compensated Absences	151,835	4,193	151	-	621	-	-	156,800	140,551
Refundable Advances	4,825,824	-	-	-	234,682	-	-	5,060,506	2,350,405
Custodial Funds	15,636	-	-	-	-	-	-	15,636	3,630
Total Current Liabilities	5,862,195	144,873	60,625	3,990	1,611,960	1,209	(208,900)	7,475,952	4,033,602
NONCURRENT LIABILITIES									
Long-Term Debt, Less Current Maturities	300,962	-	-	-	1,750,000	-	-	2,050,962	2,132,122
Operating Lease Liabilities - Long Term	-	-	7,736	-	-	-	-	7,736	-
Loans Held for Others	-	-	-	-	943,988	-	-	943,988	931,108
Total Noncurrent Liabilities	300,962	-	7,736	-	2,693,988	-	-	3,002,686	3,063,230
Total Liabilities	6,163,157	144,873	68,361	3,990	4,305,948	1,209	(208,900)	10,478,638	7,096,832
NET ASSETS									
Without Donor Restrictions									
Undesignated	7,614,763	140,815	237,721	300,227	2,135,942	-	-	10,429,468	13,524,162
Board Designated	510,005	-	-	-	-	-	-	510,005	510,005
With Donor Restrictions	5,339,683	418,629	138,410	-	360,244	509,765	-	6,766,731	7,453,616
Total Net Assets	13,464,451	559,444	376,131	300,227	2,496,186	509,765	-	17,706,204	21,487,783
Total Liabilities and Net Assets	\$ 19,627,608	\$ 704,317	\$ 444,492	\$ 304,217	\$ 6,802,134	\$ 510,974	\$ (208,900)	\$ 28,184,842	\$ 28,584,615

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2023	2022
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS									
Contributions and Grants, Private	\$ 2,005,548	\$ 56,948	\$ 75,120	\$ -	\$ 46,223	\$ -	\$ -	\$ 2,183,839	\$ 2,082,677
Grants, Government	18,525,683	169,886	132,465	-	582,295	-	(388,865)	19,021,464	30,276,079
Donated Food Products	22,655,310	-	-	-	-	-	-	22,655,310	14,997,837
Shared Maintenance Fee	30,000	-	-	-	-	-	-	30,000	77,519
Program Services	1,743,762	-	-	7,427	200,213	2,249	(516,333)	1,437,318	1,761,798
Other Income	-	-	-	-	-	-	-	-	-
Interest Income	38,985	-	-	-	27,675	48	-	66,708	4,483
Gain (Loss) on Sale of Homes	122,746	-	-	(114,261)	-	-	-	8,485	10,481
Total	45,122,034	226,834	207,585	(106,834)	856,406	2,297	(905,198)	45,403,124	49,210,874
NET ASSETS RELEASED FROM RESTRICTIONS									
Total Revenue and Support	4,882,286	488,283	511,859	-	48,808	8,565	-	5,939,801	13,416,447
	50,004,320	716,117	719,444	(106,834)	905,214	10,862	(905,198)	51,342,925	62,627,321
EXPENSES									
Program	48,074,686	681,854	588,608	8,482	702,853	11,044	(565,871)	49,501,656	58,967,196
Supporting Services:									
Management and General	4,489,603	50,139	54,833	25	85,108	(182)	(188,080)	4,491,446	2,984,005
Fundraising	444,517	54,681	61,277	-	35,289	-	(151,247)	444,517	575,642
Total Expenses	53,008,806	786,674	704,718	8,507	823,250	10,862	(905,198)	54,437,619	62,526,843
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
	(3,004,486)	(71,557)	14,726	(115,341)	81,964	-	-	(3,094,694)	100,478
NET ASSETS WITHOUT DONOR RESTRICTIONS									
Net Assets - Beginning of Year	11,129,254	212,372	222,995	415,568	2,053,978	-	-	14,034,167	13,954,651
NET ASSETS - END OF YEAR									
	\$ 8,124,768	\$ 140,815	\$ 237,721	\$ 300,227	\$ 2,135,942	\$ -	\$ -	\$ 10,939,473	\$ 14,055,129

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2023	2022
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS									
Contributions and Grants, Private	\$ 2,241,871	\$ 650,000	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ 3,216,871	\$ 3,802,039
Grants, Government	1,925,801	-	-	-	110,244	-	-	2,036,045	9,583,704
Interest Income	-	-	-	-	-	-	-	-	2,349
Total	<u>4,167,672</u>	<u>650,000</u>	<u>325,000</u>	<u>-</u>	<u>110,244</u>	<u>-</u>	<u>-</u>	<u>5,252,916</u>	<u>13,388,092</u>
NET ASSETS RELEASED FROM RESTRICTIONS									
Total	<u>(4,882,286)</u>	<u>(488,283)</u>	<u>(511,859)</u>	<u>-</u>	<u>(48,808)</u>	<u>(8,565)</u>	<u>-</u>	<u>(5,939,801)</u>	<u>(13,416,447)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(714,614)</u>	<u>161,717</u>	<u>(186,859)</u>	<u>-</u>	<u>61,436</u>	<u>(8,565)</u>	<u>-</u>	<u>(686,885)</u>	<u>(28,355)</u>
NET ASSETS WITH DONOR RESTRICTIONS									
Net Assets - Beginning of Year	6,054,297	256,912	325,269	-	298,808	518,330	-	7,453,616	7,481,971
NET ASSETS - END OF YEAR	<u>5,339,683</u>	<u>418,629</u>	<u>138,410</u>	<u>-</u>	<u>360,244</u>	<u>509,765</u>	<u>-</u>	<u>6,766,731</u>	<u>7,453,616</u>
TOTAL CHANGE NET ASSETS	<u>\$ (3,719,100)</u>	<u>\$ 90,160</u>	<u>\$ (172,133)</u>	<u>\$ (15,341)</u>	<u>\$ 143,400</u>	<u>\$ (8,565)</u>	<u>\$ -</u>	<u>\$ (3,781,579)</u>	<u>\$ 72,123</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

PROGRAM EXPENSES	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2023	2022
PERSONNEL									
Salaries and Wages	\$ 3,126,875	\$ 124,532	\$ 119,219	\$ -	\$ 218,313	\$ 34	\$ -	\$ 3,588,973	\$ 3,078,997
Employee Benefits/Payroll Taxes	1,249,668	57,644	56,795	-	84,759	5	-	1,448,871	1,396,852
Conferences and Training	77,214	5,232	296	-	214	-	-	82,956	23,780
Travel	59,163	7,786	2	-	1,250	-	-	68,201	26,045
Total Personnel	4,512,920	195,194	176,312	-	304,536	39	-	5,189,001	4,525,674
OTHER									
Advertising and Promotion	84,012	-	21	-	352	-	-	84,385	82,636
Computer Tech Support	-	106	70	-	1,431	-	-	1,607	2,811
Contracted Services/Assistance	13,446,490	-	-	-	-	-	-	13,446,490	24,328,720
Depreciation	385,588	-	-	-	8,001	-	-	393,589	383,898
Dues and Subscriptions	29,599	6,854	104	-	19,131	-	-	55,688	51,188
Equipment Maintenance and Repairs	205,475	4,804	3,983	-	-	80	-	214,342	162,116
Facility Maintenance and Utilities	254,336	-	-	-	-	-	-	254,336	189,986
Food Distributions	25,482,117	-	-	-	-	-	-	25,482,117	16,670,648
Grants	-	-	331,236	858	1,409	962	-	334,465	7,710,826
Insurance	71,773	3,331	850	5,824	607	-	-	82,385	85,296
Interest	-	-	-	-	48,435	-	-	48,435	47,738
Provision for (recovery of) Loan Losses	-	-	-	-	17,256	4,627	-	12,183	10,933
Management Fees	-	6,082	13,487	-	152,101	5,336	(177,006)	-	-
Minor Equipment Purchase	162,386	-	-	21	272	-	-	162,679	278,129
Miscellaneous	15,936	4,432	2,031	34	6,792	-	-	29,225	60,037
Occupancy	554	16,056	23,890	-	-	-	-	40,500	45,160
Payroll Processing Fees	-	-	-	-	1,780	-	-	1,780	1,140
Postage	-	15	43	-	681	-	-	879	44,453
Printing	-	-	-	-	2,415	-	-	2,415	52,625
Professional Fees	1,503,426	3,623	19,880	-	351	-	-	1,527,280	1,921,899
Program Contract Costs and Supplies	-	397,122	-	-	34,965	-	-	432,087	764,089
Project Cost Loss Reserve (Recovery)	(84,000)	-	-	-	-	-	-	(84,000)	348,000
Subgrantee Payments	400,580	29,521	6,358	-	-	-	(388,865)	47,594	-
Supplies	1,173,300	3,498	1,943	-	842	-	-	1,179,583	806,519
Telephone	55,874	11,076	8,400	-	1,496	-	-	76,846	88,446
Utilities	168,451	-	-	1,745	-	-	-	170,196	132,757
Vehicle Operation and Repairs	205,869	-	-	-	-	-	-	205,869	17,1482
Total Other	43,561,766	486,660	412,296	8,482	398,317	11,005	(565,871)	44,312,655	54,441,522
Total Program Expenses	\$ 48,074,686	\$ 681,854	\$ 588,608	\$ 8,482	\$ 702,853	\$ 11,044	\$ (565,871)	\$ 49,501,656	\$ 58,967,196

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2023	2022
MANAGEMENT AND GENERAL EXPENSES									
PERSONNEL									
Salaries and Wages	\$ 2,003,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,003,931	\$ 1,488,360
Employee Benefits/Payroll Taxes	835,519	-	-	-	-	-	-	835,519	635,651
Conferences and Training	45,351	-	-	-	-	-	-	45,351	42,177
Travel	18,730	-	-	-	-	-	-	18,730	11,300
Total Personnel	2,903,531	-	-	-	-	-	-	2,903,531	2,177,488
OTHER									
Advertising and promotion	1,992	-	-	-	-	-	-	1,992	6,682
Bad Debt Expense	490,449	-	-	-	-	-	-	490,449	24,937
Contracted Services/Assistance	9,616	-	-	-	-	-	-	9,616	8,133
Depreciation	117,829	-	-	-	-	-	-	117,829	111,349
Dues and Subscriptions	16,833	-	-	25	-	-	-	16,858	33,450
Equipment Maintenance and Repairs	10,578	-	-	-	-	-	-	10,578	10,078
Facility Maintenance and Utilities	110,048	-	-	-	-	-	-	110,048	70,429
Insurance	82,270	-	-	-	-	-	-	82,270	63,412
Interest	1,659	-	-	-	-	-	-	1,659	2,816
Management Fees	-	55,389	54,833	-	77,858	-	(188,080)	-	-
Minor Equipment Purchase	114,990	-	-	-	-	-	-	114,990	21,624
Miscellaneous	81,168	-	-	-	-	-	-	81,168	26,159
Professional Fees	414,234	(5,250)	-	-	7,250	(182)	-	416,052	255,902
Supplies	48,734	-	-	-	-	-	-	48,734	17,753
Telephone	40,683	-	-	-	-	-	-	40,683	49,731
Utilities	42,112	-	-	-	-	-	-	42,112	28,276
Vehicle Operation and Repairs	2,877	-	-	-	-	-	-	2,877	2,589
Total Other	1,586,072	50,139	54,833	25	85,108	(182)	(188,080)	1,587,915	806,517
Total Management and General Expenses	\$ 4,489,603	\$ 50,139	\$ 54,833	\$ 25	\$ 85,108	\$ (182)	\$ (188,080)	\$ 4,491,446	\$ 2,984,005

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2022)**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2023	2022
FUNDRAISING EXPENSES									
PERSONNEL									
Salaries and Wages	\$ 244,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,526	\$ 339,471
Employee Benefits/Payroll Taxes	80,744	-	-	-	-	-	-	80,744	139,683
Total Personnel	325,270	-	-	-	-	-	-	325,270	479,154
OTHER									
Management Fees	-	54,681	61,277	-	35,289	-	(151,247)	-	-
Postage	10,758	-	-	-	-	-	-	10,758	11,097
Printing	108,489	-	-	-	-	-	-	108,489	85,391
Total Other	119,247	54,681	61,277	-	35,289	-	(151,247)	119,247	96,488
Total Fundraising Expenses	444,517	54,681	61,277	-	35,289	-	(151,247)	444,517	575,642
Total Functional Expenses	\$ 53,008,806	\$ 786,674	\$ 704,718	\$ 8,507	\$ 823,250	\$ 10,862	\$ (905,198)	\$ 54,437,619	\$ 62,526,843

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
PARENT COMPANY'S STATEMENT OF PROGRAM EXPENSES
YEAR ENDED JUNE 30, 2023**

PROGRAM EXPENSES	Weatherization Program	Sixth Street Shelter	Second Harvest Food Bank	Housing Counseling Program	Community Action Homes	Custody Subcontractor	Racial and Ethnic Justice Program	Slate Belt Rising	Total Program
PERSONNEL									
Salaries and Wages	\$ 416,236	\$ 438,204	\$ 1,423,835	\$ 254,453	\$ 262,388	\$ -	\$ 279,440	\$ 52,319	\$ 3,126,875
Employee Benefits/Payroll Taxes	197,477	143,032	614,457	76,345	90,968	-	110,856	16,533	1,249,668
Conferences and Training	374	2,738	30,476	70	420	96	43,018	22	77,214
Travel	51	553	25,564	834	8,073	159	23,774	155	59,163
Total Personnel	614,138	584,527	2,094,332	331,702	361,849	255	457,088	69,029	4,512,920
OTHER									
Advertising and promotion	-	112	76,765	-	-	-	-	7,135	84,012
Contracted Services	-	26,318	283,028	2,000	1,007,489	11,947,960	50,547	129,148	13,446,490
Depreciation	9,741	83,018	284,450	3,065	5,314	-	-	-	385,588
Dues and subscriptions	(300)	509	18,638	6,385	910	-	3,457	-	29,599
Equipment maintenance	3,927	3,546	191,341	5,124	220	-	905	412	205,475
Facility maintenance	-	145,474	108,646	-	-	216	-	-	254,336
Food distributions	-	-	25,482,117	-	-	-	-	-	25,482,117
Insurance	16,639	20,032	29,557	2,567	1,461	-	1,500	17	71,773
Minor equipment purchase	3,405	8,096	41,601	1,573	2,680	101,445	1,828	1,758	162,386
Occupancy	-	554	-	-	-	-	-	-	554
Other expenses	340	5,093	16,996	6	113	(8,408)	1,796	-	15,936
Professional fees	1,097,900	9,597	159,261	46	987	204,361	25,426	5,848	1,503,426
Project loss reserve	-	-	-	(84,000)	-	-	-	-	(84,000)
Supplies	910,145	66,322	171,067	1,100	3,121	-	20,511	1,034	1,173,300
Telephone	7,027	22,305	17,882	-	4,382	72	3,887	319	55,874
Subgrantee payments	4,295	3,676	2,079	-	-	388,530	-	2,000	400,580
Utilities	-	56,732	111,590	-	129	-	-	-	168,451
Vehicle operations	21,231	3,441	167,972	-	360	-	12,865	-	205,869
Total Other	2,074,350	454,825	27,162,990	(62,134)	1,027,166	12,634,176	122,722	147,671	43,561,766
Total Program Expenses	\$ 2,688,488	\$ 1,039,352	\$29,257,322	\$ 269,568	\$ 1,389,015	\$12,634,431	\$ 579,810	\$ 216,700	\$48,074,686



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.