

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2024 AND 2023



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

Qualified Opinion

We have audited the consolidated financial statements of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries are required to maintain documentation necessary to recognize, track and retain the nature of donor contributions and the related net assets with donor restrictions. We were unable to obtain sufficient appropriate audit evidence about the nature of public contributions during the year ended June 30, 2024 because documentation was not retained by the Organization. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 *Auditor's Responsibilities for the Audit of the 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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

Prior Period Adjustment – Correction of an Error

As discussed in Note 15 to the consolidated financial statements, Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries has restated the classification of its beginning net assets with and without donor restrictions along with the contributions with donor restrictions and net assets released from restrictions for the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, effective July 1, 2023, Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries adopted new accounting guidance for the measurement of credit losses with no effect on previously reported net assets. 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.

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

- 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.

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

Supplementary Information

Our 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.

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.



CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
February 17, 2026

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,302,830	\$ 12,173,628
Restricted Cash	1,120,057	2,270,794
Certificates of Deposit	1,351,232	-
Grants Receivable	2,434,649	1,886,042
Accounts Receivable	122,532	86,167
Unconditional Promises to Give	12,504	27,504
Program Loans Receivable, Net of Loss Reserve	322,791	44,017
Inventory	1,347,576	1,315,662
Property Inventory, Net of Loss of Reserve	544,462	566,545
Prepaid Expenses	400,457	396,676
Total Current Assets	13,959,090	18,767,035
PROPERTY AND EQUIPMENT	7,551,658	6,577,342
RIGHT-OF-USE ASSETS - OPERATING LEASES	7,736	22,882
OTHER ASSETS		
Program Loans Receivable, Net of Current Portion	2,214,484	2,817,583
Total Other Assets	2,214,484	2,817,583
Total Assets	\$ 23,732,968	\$ 28,184,842

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, 2024 AND 2023**

	2024	(As Restated) 2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 365,700	\$ 1,183,375
Line of Credit	175,000	175,000
Operating Lease Liabilities - Current Portion	7,736	15,146
Accounts Payable	1,564,255	746,034
Accrued Interest	14,083	11,789
Accrued Wages	133,074	111,666
Compensated Absences	174,424	156,800
Refundable Advances	2,199,761	5,060,506
Custodial Funds	-	15,636
Total Current Liabilities	4,634,033	7,475,952
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Maturities	2,544,962	2,050,962
Operating Lease Liabilities - Long Term	-	7,736
Loans Held for Others	955,736	943,988
Total Noncurrent Liabilities	3,500,698	3,002,686
Total Liabilities	8,134,731	10,478,638
NET ASSETS		
Without Donor Restrictions	14,442,639	13,586,996
With Donor Restrictions	1,155,598	4,119,208
Total Net Assets	15,598,237	17,706,204
Total Liabilities and Net Assets	\$ 23,732,968	\$ 28,184,842

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, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants, Private	\$ 537,733	\$ 5,286,480	\$ 5,824,213
Grants, Government	14,275,598	-	14,275,598
Donated Food Products	23,275,217	-	23,275,217
Program Services	918,157	-	918,157
Interest Income	402,424	-	402,424
Loss on Sale of Homes	(1,014)	-	(1,014)
Total	<u>39,408,115</u>	<u>5,286,480</u>	<u>44,694,595</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>8,250,090</u>	<u>(8,250,090)</u>	<u>-</u>
Total Revenue and Support	47,658,205	(2,963,610)	44,694,595
EXPENSES			
Program	41,705,089	-	41,705,089
Supporting Services:			
Management and General	4,234,730	-	4,234,730
Fundraising	862,743	-	862,743
Total Expenses	<u>46,802,562</u>	<u>-</u>	<u>46,802,562</u>
CHANGES IN NET ASSETS	855,643	(2,963,610)	(2,107,967)
Net Assets - Beginning of Year	<u>13,586,996</u>	<u>4,119,208</u>	<u>17,706,204</u>
NET ASSETS - END OF YEAR	<u>\$ 14,442,639</u>	<u>\$ 1,155,598</u>	<u>\$ 15,598,237</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, 2023**

	(As Restated) Without Donor Restrictions	(As Restated) With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants, Private	\$ 481,395	\$ 4,919,315	\$ 5,400,710
Grants, Government	20,947,265	110,244	21,057,509
Donated Food Products	22,655,310	-	22,655,310
Program Services	1,467,318	-	1,467,318
Interest Income	66,708	-	66,708
Gain on Sale of Homes	8,485	-	8,485
Total	<u>45,626,481</u>	<u>5,029,559</u>	<u>50,656,040</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Total Revenue and Support	<u>7,668,505</u>	<u>(7,668,505)</u>	<u>-</u>
	53,294,986	(2,638,946)	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			
	(1,142,633)	(2,638,946)	(3,781,579)
Net Assets - Beginning of Year, As Previously Reported	14,034,167	7,453,616	21,487,783
Prior Period Adjustment	<u>695,462</u>	<u>(695,462)</u>	<u>-</u>
Net Assets - Beginning of Year, As Restated	<u>14,729,629</u>	<u>6,758,154</u>	<u>21,487,783</u>
NET ASSETS - END OF YEAR	<u><u>\$ 13,586,996</u></u>	<u><u>\$ 4,119,208</u></u>	<u><u>\$ 17,706,204</u></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, 2024**

	Program	Management and General	Fundraising	Total
PERSONNEL				
Salaries and Wages	\$ 3,747,369	\$ 1,797,942	\$ 504,164	\$ 6,049,475
Employee Benefits and Payroll Taxes	1,583,037	828,770	219,921	2,631,728
Conferences and Training	75,884	35,323	37,768	148,975
Travel	40,115	8,659	409	49,183
Total Personnel	<u>5,446,405</u>	<u>2,670,694</u>	<u>762,262</u>	<u>8,879,361</u>
OTHER				
Advertising and Promotion	8,787	(50)	8,772	17,509
Computer Tech Support	19,049	175,061	13,613	207,723
Contracted Services and Assistance	4,954,126	3,400	-	4,957,526
Credit Loss Expense	281,488	-	-	281,488
Depreciation	361,138	126,164	-	487,302
Dues and Subscriptions	59,232	13,523	1,425	74,180
Equipment Maintenance and Repairs	346,057	10,061	-	356,118
Facility Maintenance and Utilities	199,878	65,212	-	265,090
Food Distributions	25,968,227	-	-	25,968,227
Grants	315,049	-	-	315,049
Insurance	101,786	497,179	-	598,965
Interest	61,647	982	-	62,629
Minor Equipment Purchase	93,391	6,085	124	99,600
Miscellaneous	59,121	15,451	-	74,572
Occupancy	37,131	970	-	38,101
Postage	11,888	11,055	48,370	71,313
Printing	8,183	449	15,332	23,964
Professional Fees	1,441,005	477,948	4,520	1,923,473
Project Cost Loss Reserve	144,000	-	-	144,000
Supplies	1,317,193	53,397	8,325	1,378,915
Telephone	73,719	65,988	-	139,707
Utilities	182,062	38,826	-	220,888
Vehicle Operation and Repairs	214,527	2,335	-	216,862
Total Other	<u>36,258,684</u>	<u>1,564,036</u>	<u>100,481</u>	<u>37,923,201</u>
Total Functional Expenses	<u>\$ 41,705,089</u>	<u>\$ 4,234,730</u>	<u>\$ 862,743</u>	<u>\$ 46,802,562</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, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,107,967)	\$ (3,781,579)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	487,302	511,418
Provision for Loan Losses	281,488	121,882
Noncash Loss Provision	144,000	(84,000)
(Increase) Decrease in Assets:		
Grants Receivable	(548,607)	226,304
Accounts Receivables	(36,365)	127,352
Unconditional Promises to Give	15,000	237,290
Inventory	(31,914)	729,976
Property Inventory	(121,917)	82,838
Prepaid Expenses	(3,781)	(36,061)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	818,221	115,707
Accrued Wages	21,408	(172,710)
Accrued Interest	2,294	1,914
Compensated Absences	17,624	16,249
Refundable Advances	(2,860,745)	2,710,101
Custodial Funds	(15,636)	12,006
Loans Held for Others	11,748	12,880
Net Cash Provided (Used) by Operating Activities	(3,927,847)	831,567
CASH FLOWS FROM INVESTING ACTIVITIES		
Certificates of Deposit Purchased	(1,351,232)	-
Program Loans Dispersed	(576,889)	(1,974,835)
Program Loans Repaid	619,727	749,057
Purchase of Property and Equipment	(1,461,619)	(166,379)
Net Cash Used by Investing Activities	(2,770,013)	(1,392,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (Payments) on Line of Credit	-	100,000
Proceeds from Notes Payable	-	1,000,000
Payments on Notes Payable	(323,675)	(437,223)
Net Cash Provided (Used) by Financing Activities	(323,675)	662,777
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(7,021,535)	102,187
Cash and Restricted Cash - Beginning of Year	14,444,422	14,342,235
CASH AND RESTRICTED CASH - END OF YEAR	\$ 7,422,887	\$ 14,444,422

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, 2024 AND 2023**

	2024	2023
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for:		
Interest	\$ 62,629	\$ 39,024
 RECONCILIATION OF CASH AND RESTRICTED CASH TO CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 6,302,830	\$ 12,173,628
Restricted Cash	1,120,057	2,270,794
Total	\$ 7,422,887	\$ 14,444,422

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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 not-for-profit organizations, 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, 2024 AND 2023**

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, 2024 AND 2023**

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, 2024 AND 2023**

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, 2024 AND 2023**

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
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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.

Classification of 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, 2024 and 2023, 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. A portion of net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time or specifically for a purpose. When a restriction expires, net assets are reclassified to Net Assets without Donor Restrictions as a satisfaction of a purpose or time restriction and reported in the statement of activities as a release from restrictions. Detail of net assets with donor restrictions is included in Note 13.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in net assets without restrictions. Expiration of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets satisfaction of restrictions.

Accordingly, government awards do not affect Net Assets with Donor Restrictions and funds received in advance are deferred revenue and funds disbursed and not reimbursed represent receivables.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Concentration of Credit Risk

The Organization manages deposit concentration risks by placing cash, money market accounts and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. For the years ended June 30, 2024 and 2023, the Organization had approximately \$5,200,000 and \$12,800,000, respectively in excess of FDIC insurance limits. To date the Organization has not experienced losses in any of these 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.

Grants and Accounts Receivable

Grants and accounts receivable are recorded at the amounts management anticipates collecting from current balances. The Organization's receivables are shown net of an allowance for bad debts, reflecting the estimated losses at the date of the consolidated statement of financial position. On a periodic basis, the Organization assesses its grants and contracts receivable and determines an allowance for doubtful accounts using historical payment trends, write-off history, analysis of receivable portfolios by funding source and aging, review of individual accounts, as well as projections of future economic conditions and market trends. Adjustments to the allowance for bad debts are made when necessary.

Grants and accounts receivable are considered delinquent when payment is not received when due and is charged off against the allowance for bad debts when management ceases collection efforts. The Organization's policy is to review the aging and follow up with funders for receivables over 90 days old. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the funder base has not changed significantly. No allowance for bad debts has been determined by management for the years ended June 30, 2024 and 2023, respectively.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give (Continued)

Allowance for uncollectible promises to give is determined based on historical experience an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. For the years ended June 30, 2024 and 2023, there was no allowance assessed on its promises to give.

Unconditional promises to give are recognized as revenue and unconditional promises to give in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. For the year ended June 30, 2024, the Organization had conditional promises to give of approximating \$2,915,000 which had not been recognized in the accompanying consolidated 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.

Program Loans Receivable and Allowance for Credit Losses

Program loans receivable consists of loans to small businesses to support operations, capital expansion, or other projects. Most notes are secured by real or personal property, and some notes are unsecured. Since the notes are in the normal course of operations and are considered to be at a market rate of interest, no discounting is considered necessary. Interest income is accrued monthly at the notes' respective interest rates.

The Organization maintains two loan portfolio segments. These portfolio segments and their risk characteristics are described as follows:

Micro Loans

This portfolio segment is comprised of a large number of small loans of \$50,000 or less. Most loans are made directly for consumer purchases intended to enhance the economic status of the borrower. Economic trends are closely correlated to the credit quality of these loans. These loans are secured by business assets and personal guarantees.

Small Business Loans

This portfolio segment includes small business loans secured by assignment of business assets and liens over personal or business property and equipment. Small business loans generally have higher average balances and require a higher valuation of collateral.

Effective, July 1, 2023, the allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the credit loss expense to the amount of amortized cost basis not expected to be collected at the balance sheet date. Loan losses are charged off against the allowance for credit losses on loans when the Organization determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Loans Receivable and Allowance for Credit Losses (Continued)

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, current information and events, probability that the Organization will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreements, or delinquencies.

Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Organization.

The allowance for credit losses on loans estimate incorporates a reasonable and supportable economic forecast through the use of historical losses adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Organization over the most recent three years.

Loans are charged off against the allowance for credit losses on loans in the period in which they are deemed uncollectible, and recoveries are credited to the allowance for credit losses on loans when received. Expected recoveries on loans previously charged off and expected to be charged-off are included in the allowance for credit losses on loans estimate. The allowance is a percentage of loans on which the Organization has a risk of loss. Allowances are not established on the portion of loans backed by certain government funding sources because the Organization does not bear the risk of loss on those loans.

The Organization utilized the weighted average remaining maturity (WARM) method for all pools within the portfolio. The WARM method considers an estimate of expected credit losses over the remaining life of the financial assets and uses average annual charge-off rates to estimate the allowance for credit losses. For amortizing assets, the remaining contractual life is adjusted by the expected scheduled payments and prepayments. The average annual charge-off rate is applied to the amortization-adjusted remaining life to determine the unadjusted lifetime historical charge-off rate.

The Organization assigns internal credit classifications at the inception of each note. These ratings are subsequently reviewed on a quarterly. The following definitions summarize the basis for each classification.

- Risk Rating 1: New loans provided to a profitable business with a guarantor's credit score greater than 675 and collateral covers the amount borrowed. Seasoned loans with a very good repayment history and a strong collateral/guarantor position.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Loans Receivable and Allowance for Credit Losses (Continued)

- Risk Rating 2: New loans to a business in operation for more than one year and with a guarantors credit score of greater than 623. Seasoned loans with an acceptable repayment history (no more than 30 days past due) and a current valuation of collateral to secure at least 80% of the outstanding balance.
- Risk Rating 3: New loans in which the guarantor has a credit rating less than 623. Seasoned loans with payment difficulties, significant changes in operations, adverse deviations from projected results.
- Risk Rating 4: Company is delinquent beyond 90 days and there are no well-defined means of bringing he loan current. In addition, a risk rating of 4 shall also be applied for any situations in which management is aware of other matters which bring doubt as to the customers ability to repay the loan.

Management believes the allowance will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans and the quality of collateral. The evaluation takes into consideration such factors as overall portfolio quality, review of specific problem loans, current economic conditions that may affect the borrower's ability to pay and other factors. If management determines that changes are warranted based on those reviews, the allowance is adjusted.

The past due status of loans is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. Prior to the adoption of ASC 326, the Organization used an incurred loss model to measure an allowance for loan losses.

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, 2024 and 2023, net of loss reserves, was \$544,462 and \$566,545, respectively.

Property and Equipment

Property and equipment is capitalized and recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging between 3 and 40 years. The Organization capitalizes any assets purchased with costs greater than \$5,000, for CACLV, and \$1,000 for all the other subsidiaries, as described in the Organization's capitalization policies. Maintenance and minor repairs are charged to expense when incurred. Betterments and renewals are capitalized. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the consolidated statement of activities. The Organization records contributed assets at their fair value as of the date of the contribution.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Long-lived assets, such as property and equipment are reviewed periodically for impairment based on comparison of carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjustment to fair value. There were no such adjustments during the year ended June 30, 2025 and 2024, 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, 2024 and 2023 land held in trust was \$217,186 and 217,186, respectively.

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.

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.

Refundable Advances

The Organization receives funding through government agency grants and conditional contributions. These funds are sometimes received before the necessary conditions or service requirements have been met. For certain grants, payments may be made prior to incurring eligible costs; amounts received that exceed reimbursable expenses are reported as refundable advances until they are used in future periods, as determined by the grantor.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advances (Continued)

Some of the Organization's revenue comes from cost-reimbursable contracts, which require specific performance outcomes or qualifying expenditures. Revenue is recognized when the Organization incurs expenses that meet contract or grant requirements. For the years ended June 30, 2024 and 2023, the Organization received \$2,199,761 and \$6,019,640, respectively in cost-reimbursable grants that have been reported as refundable advances, since the associated qualifying expenditures have not yet been incurred.

Government Contracts

The Organization evaluates grant agreements to determine if the contract represent reciprocal transactions or nonreciprocal transactions (contributions). Revenues from nonreciprocal transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligations to make future payments).

Revenues from nonreciprocal transactions are recognized when the barrier is satisfied. Conditional government grants, contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as deferred revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Laws and regulations governing these programs are complex and subject to interpretation.

The Organization believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future regulatory review and interpretation.

Program Services

Program services fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services at the Second Harvest Food Bank, acting as a subcontractor to utility companies for the Organization's Weatherization program, providing education and training, and other services provided as part of its programming. These amounts are due from third-party payors, and others. Generally, the Organization bills third party and others at the time services have been provided and revenue is recognized as the performance obligations are satisfied.

Program services fees are recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Organization records revenue at the amount it expects to receive in exchange for delivering services, including subcontracting for utility companies through its Weatherization program, offering educational sessions, training, and other program-related services. Revenue is recognized when services are provided and the related performance obligations are satisfied, which typically occurs when billing third-party payors and other customers upon completion of the services.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

The Organization measures the performance obligation from the entrance into a contract or admission into programs to the point when it's no longer required to provide services to the participant, or the contractual obligation have been satisfied.

Program Service Fees consist of the following for the year ended June 30, 2024:

<u>Program</u>	<u>Amount</u>
Weatherization	\$ 495,079
Second Harvest Food Bank	322,484
Racial and Ethical Injustice	86,129
Other Programs	14,465
Total	<u>\$ 918,157</u>

Program Service Fees consist of the following for the year ended June 30, 2023:

<u>Program</u>	<u>Amount</u>
Weatherization	\$ 436,705
Second Harvest Food Bank	269,649
Racial and Ethical Injustice	120,008
Other Programs	640,956
Total	<u>\$ 1,467,318</u>

At June 30, the balances were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts Receivable	<u>\$ 122,532</u>	<u>\$ 86,167</u>	<u>\$ 213,519</u>
Deferred Revenue	<u>\$ -</u>	<u>\$ 9,250</u>	<u>\$ -</u>

The deferred revenue disclosed above has been included with refundable advances on the statement of financial position.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales of Real Estate

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.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions consist of funds received from individuals, corporations, foundations, and other nonprofit organizations for various activities provided by the Organization.

Conditional grants are recognized as revenue only when the underlying conditions specified by the grantor have been substantially met. Until such time, amounts received are recorded as deferred revenue or liabilities on the consolidated statement of financial position. The Organization monitors the fulfillment of grant conditions on an ongoing basis and adjusts the recognition of revenue accordingly. If conditions are not met within the specified timeframe, the Organization may be required to return the funds to the grantor.

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 3.53% and 2.7% for the years ended June 30, 2024 and 2023. The interest is recorded as a contribution on the statement of activities.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Functional 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.

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.

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 2024 and 2023.

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 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed.

**COMMUNITY ACTION COMMITTEE
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

On July 1, 2023, the Organization adopted ASU 2016-03, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended (ASC 326), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss methodology (CECL). The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loan receivables and held to maturity securities. It also applies to off-balance sheet credit exposures such as loan commitments and standby letters of credit. In addition, changes were made to the accounting for available for sale securities, which requires credit losses to be presented as an allowance rather than as a direct write-down of the available for sale securities when management does not intend to sell or believes that it is more likely than not that they will be required to sell.

The Organization adopted the standard using the modified retrospective method for all financial assets measured at amortized cost and for off-balance sheet credit exposures. Results for annual periods beginning after July 1, 2023 are presented under the new CECL model while prior reporting periods continue to be reported in accordance with previously applicable accounting principles generally accepted in the United States of America (GAAP).

On March 31, 2022, FASB issued ASU 2022-02, *Financial Instruments—Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the troubled debt restructuring (“TDR”), accounting model for creditors that have adopted Topic 326, *Financial Instruments – Credit Losses*. In addition, on a prospective basis, entities will be subject to new disclosure requirements covering modifications of receivables to borrowers experiencing financial difficulty. Upon adoption of this guidance, the Organization no longer establishes a specific reserve for modifications made on or after July 1, 2023 to borrowers experiencing financial difficulty. Instead, these modifications are included in their respective loan segment in the allowance for credit losses on loans. The Organization has adopted ASU 2022-02 effective on July 1, 2023.

The adoption of these standards did not have a material effect on the Organization’s operating results or financial condition.

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.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through February 17, 2026, the date the consolidated financial statements were available to be issued. 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
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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:

	2024	(As Restated) 2023
Cash and Cash Equivalents	\$ 6,302,830	\$ 12,173,628
Restricted Cash	1,120,057	2,270,794
Certificates of Deposit	1,351,232	-
Grants Receivable	2,434,649	1,886,042
Account Receivable	122,532	86,167
Unconditional Promises to Give	12,504	27,504
Program Loans Receivable, Net of Loss Reserve	322,791	44,017
Total Financial Assets at Year-End	11,666,595	16,488,152
Less, Contractual or Donor Imposed Restrictions		
Restricted Cash, Including Certificates of Deposit	(2,471,289)	(2,270,794)
Refundable Advances	(2,199,761)	(5,060,506)
Net Assets with Donor Restrictions	(1,155,598)	(4,119,208)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 5,839,947	\$ 5,037,644

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
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JUNE 30, 2024 AND 2023**

NOTE 4 RESTRICTED CASH

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

	2024	2023
CACLV		
Family and Resident Savings	\$ -	\$ 15,636
Lehigh County Emergency Rental Assistance Program	-	911,950
True Endowment (SHFB)	-	5,000
Total CACLV	-	932,586
 LNCLF		
Lending	109,028	452,654
Total LNCLF	109,028	452,654
 RTCLF		
Lending	24,638	77,322
City of Bethlehem Fund	546,218	446,606
Lehigh University	30,126	16,699
Community Development Financial Institutions Fund	232,178	159,682
Bangor Economic Development	110,245	110,245
PA Council of the Arts	67,624	75,000
Total RTCLF	1,011,029	885,554
Total Restricted Cash	\$ 1,120,057	\$ 2,270,794

NOTE 5 PROMISES TO GIVE

Unconditional Promises to Give

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

	2024	2023
CACLV		
Donor Restricted for Program Costs and Facilities and Equipment	\$ 12,504	\$ 12,504
CACLV		
Donor Restricted for Program Costs	-	15,000
Total	\$ 12,504	\$ 27,504

All unconditional promises to give are expected to be realized by June 30, 2025.

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NOTE 5 PROMISES TO GIVE (CONTINUED)

Conditional Promises to Give

During the year ended June 30, 2024 and 2023, CACLV and its subsidiaries received conditional pledges for various purposes. This include the following:

CACLV:

Local corporations made pledge commitments to CADCB accumulating to \$160,000 per year over a four-year period totaling \$640,000. The pledges are contingent upon future Commonwealth of Pennsylvania tax credits and approvals under its Neighborhood Partnership Program. Pledge payments under the program were \$160,000 for each of the years ended June 30, 2024 and 2023.

CADCA:

Local corporations have remaining pledge commitments to CADCA of \$650,000 per year payable over the next four years totaling \$1,300,000 and \$1,950,000 as of June 30, 2024 and 2023, respectively. The pledges are contingent upon future commonwealth of Pennsylvania tax credits and approvals under its Neighborhood Partnership Program. Pledge payments under the program were \$650,000 during each of the years ending June 30, 2024 and 2023, respectively.

CADCB:

During the year ended June 30, 2022, five local corporations made pledge commitments to CADCB accumulating to \$325,000 per year over a six-year period totaling \$1,950,000. The pledges are contingent upon future Commonwealth of Pennsylvania tax credits and approvals under its Neighborhood Partnership Program. Pledge payments under the program were \$325,000 for each of the years ended June 30, 2024 and 2023.

Since these pledges represent conditional promises to give, they are not recorded as contribution revenue until conditions have been met.

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. Loans carry interest rates of 4.0% to 11.5% and mature between 2025 and 2038. Payments are due monthly or according to a schedule. The majority of program loans receivable secured. Collateral varies depending on the type and size of the note but typically includes liens on property or equipment or other underlying business assets.

The Organization elected to exclude accrued interest receivable from the amortized cost basis of loans. As of June 30, 2024 and 2023, accrued interest receivable for loans totaled \$15,000 and \$-0-, respectively, and is included in accounts receivable, other on the statements of financial position.

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NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Interest income received on loans was \$222,887 and \$177,583 for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the Organization had no outstanding commitments and therefore no allowance for credit losses on off-balance sheet credit exposures.

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, 2024 and 2023 is \$836 and \$11,062, respectively. The repayment of principal is restricted for lending.

RTCLF received 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 Due to City of Bethlehem on the Statement of Financial Position. Total accumulated grants and related interest as of June 30, 2024 and 2023 were \$955,736 and \$943,988, 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, 2024, the \$955,736 was physically comprised of \$409,518 of outstanding loans and \$546,218 of restricted cash as included in Note 4. As of 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.

Aggregate loans receivable, summarized by the source of the underlying funding, at June 30, 2024 and 2023 were comprised of the following:

	2024	2023
Micro Loans:		
CDFI Network	\$ 178,756	\$ 87,590
PA Council of the Arts	49,613	
City of Bethlehem	-	13,641
Northampton County	120,280	132,457
Lehigh University	13,500	16,105
Investor Loans	8,981	17,430
LNCRLF	10,304	14,323
Unrestricted Funds	451,865	533,504
Total	\$ 833,299	\$ 815,050

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NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

	2024	2023
Small Business Loans:		
City of Bethlehem	\$ 409,518	\$ 483,741
Northampton County	108,740	147,882
Lehigh University	139,178	150,000
Investor Loans	-	31,370
LNCRLF	45,405	50,000
Unrestricted Funds	1,375,378	1,408,016
Total	2,078,219	2,271,009
Gross Loans Outstanding	2,911,518	3,086,059
Loss Reserve	(374,243)	(224,459)
Program Loans Receivable, Net	\$ 2,537,275	\$ 2,861,600

Age Analysis of Past Due Notes

The delinquency schedule of notes receivable as of June 30, 2024 and 2023 are as follows:

		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
June 30, 2024	Current					
Micro Loans:						
CDFI Network	\$ 178,756	\$ -	\$ -	\$ -	\$ -	\$ 178,756
PA Council of the Arts	49,613	-	-	-	-	49,613
Northampton County	80,486	26,889	12,905	-	-	120,280
Lehigh University	-	-	-	-	13,500	13,500
Investor Loans	8,981	-	-	-	-	8,981
LNCRLF	10,304	-	-	-	-	10,304
Unrestricted Funds	342,364	14,293	51,183	-	44,025	451,865
Small Business Loans:						
City of Bethlehem	142,961	-	-	-	266,557	409,518
Northampton County	108,740	-	-	-	-	108,740
Lehigh University	-	-	-	-	139,178	139,178
LNCRLF	45,405	-	-	-	-	45,405
Unrestricted Funds	828,068	263,203	37,907	121,190	125,010	1,375,378
Total	\$ 1,795,678	\$ 304,385	\$ 101,995	\$ 121,190	\$ 588,270	\$ 2,911,518

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NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Age Analysis of Past Due Notes (Continued)

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
LNCRFL	14,323	-	-	-	-	14,323
Unrestricted Funds	430,754	18,750	-	-	84,000	533,504
Small Business Loans:						
City of Bethlehem	463,842	-	19,899	-	-	483,741
Northampton County	147,882	-	-	-	-	147,882
Lehigh University	150,000	-	-	-	-	150,000
Investor Loans	31,370	-	-	-	-	31,370
LNCRFL	-	-	-	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

Credit Quality

The Organization has certain lending policies and procedures in place that are designed to maximize note income within an acceptable level of risk. The Organization reviews and approves these policies and procedures on a regular basis.

The Organization monitors and evaluates its loans based on collateral, payment history, and risk grade criteria.

Loans are primarily made based on the identified FICO score, collateral, and income of the borrower. Other factors considered are character, previous notes with the organization, and if the potential borrower has participated in technical assistance.

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NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Credit Quality (Continued)

The following tables summarize the loan portfolio by sector and the internally assigned credit quality ratings for those categories as of June 30, 2024 and 2023:

	June 30, 2024				
	Risk Rating 1	Risk Rating 2	Risk Rating 3	Risk Rating 4	Total
Micro Loans:					
CDFI Network	\$ 41,645	\$ 25,915	\$ 96,238	\$ 14,958	\$ 178,756
PA Council of the Arts	-	-	49,613	-	49,613
Northampton County	70,661	22,730	26,889	-	120,280
Lehigh University	-	13,500	-	-	13,500
Investor Loans	-	8,981	-	-	8,981
LNCRLF	10,304	-	-	-	10,304
Unrestricted Funds	275,392	51,664	49,167	75,642	451,865
Small Business Loans:					
CDFI Network	-	-	-	-	-
City of Bethlehem	128,322	14,640	-	266,556	409,518
Northampton County	68,790	39,950	-	-	108,740
Lehigh University	-	-	-	139,178	139,178
Investor Loans	-	-	-	-	-
LNCRLF	-	-	-	45,405	45,405
Unrestricted Funds	651,041	311,681	166,456	246,200	1,375,378
Total	<u>\$ 1,246,155</u>	<u>\$ 489,061</u>	<u>\$ 388,363</u>	<u>\$ 787,939</u>	<u>\$ 2,911,518</u>
June 30, 2023					
	Risk Rating 1	Risk Rating 2	Risk Rating 3	Risk Rating 4	Total
Micro Loans:					
CDFI Network	\$ 11,911	\$ -	\$ 75,679	\$ -	\$ 87,590
City of Bethlehem	13,641	-	-	-	13,641
Northampton County	31,055	23,097	25,434	52,871	132,457
Lehigh University	-	16,105	-	-	16,105
Investor Loans	-	17,430	-	-	17,430
LNCRLF	14,323	-	-	-	14,323
Unrestricted Funds	89,987	13,176	317,183	113,158	533,504
Small Business Loans:					
CDFI Network	-	-	-	-	-
City of Bethlehem	173,842	19,899	290,000	-	483,741
Northampton County	96,207	-	51,675	-	147,882
Lehigh University	-	-	150,000	-	150,000
Investor Loans	31,370	-	-	-	31,370
LNCRLF	-	-	-	50,000	50,000
Unrestricted Funds	698,956	120,598	476,453	112,009	1,408,016
Total	<u>\$ 1,161,292</u>	<u>\$ 210,305</u>	<u>\$ 1,386,424</u>	<u>\$ 328,038</u>	<u>\$ 3,086,059</u>

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NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)

Credit Quality (Continued)

The following table presents by portfolio segment, the changes in the allowance for credit losses and the recorded investment in loans.

<u>Year Ended June 30, 2024</u>	<u>Micro Loans</u>	<u>Small Business Loans</u>	<u>Total</u>
Loan Loss Reserve:			
Beginning Balance	\$ 43,679	\$ 174,777	\$ 218,456
Charge-Offs	(33,155)	(98,549)	(131,704)
Recoveries	-	-	-
Provision	72,500	214,991	287,491
Ending Balances	<u>\$ 83,024</u>	<u>\$ 291,219</u>	<u>\$ 374,243</u>

The allowance for credit losses as a percentage of loans outstanding as of June 30, 2024 was approximately 12.06% of the Organization's total loan portfolio.

<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>

The allowance for credit losses as a percentage of loans outstanding as of June 30, 2023 was approximately 7.23% of the Organization's total loan portfolio.

Forgivable Loans

As of June 30, 2024, RTCLF holds one forgivable loan receivable consisting of a loan given under the Allentown Retail Mosaic Self-Forgiving Loan Program. The loan contains terms that allow the loan 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, 2024 and 2023 were \$15,000 and \$15,000, respectively.

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 \$1.97 and \$1.92 in 2024 and 2023, respectively, based upon amounts provided by Feeding America (formerly named America's Second Harvest). For 2024 and 2023, 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.

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NOTE 7 FOOD BANK INVENTORY (CONTINUED)

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:

2024			
Source	Total Pounds	Value	Valuation Methodology
Federal Donations	6,805,505	\$ 10,712,172	Commodity Price List
Non-Federal Donations	6,523,945	12,563,045	\$1.97 Per Pound
	13,329,450	\$ 23,275,217	
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	

In addition, the Organization purchases food products to supplement the contributions received. Total amounts expended during the years ended June 30, 2024 and 2023 were \$2,937,051 and \$2,146,011, respectively.

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2024	2023
Land	\$ 355,812	\$ 26,477
Building	9,267,968	8,718,111
Leasehold Improvements	1,176,879	1,073,930
Furniture, Fixtures and Equipment	2,177,583	2,156,751
Vehicles	885,251	844,782
Construction in Process	387,374	-
Subtotal	14,250,867	12,820,051
Less: Accumulated Depreciation	(6,699,209)	(6,242,709)
Total	\$ 7,551,658	\$ 6,577,342

Depreciation charged to expense is \$487,302 and \$511,418 for the years ended June 30, 2024 and 2023, respectively.

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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 lots as of June 30, 2024 and 2023, respectively. LVCLT transferred title of 0 and 11 homes to the homeowners during the years ended June 30, 2024 and 2023, 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, 2024 and 2023, the Organization had outstanding borrowings of \$100,000 and \$100,000 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 3% on any outstanding balances. At June 30, 2024 and 2023, the Organization had outstanding borrowings of \$75,000 and \$75,000, respectively. This line of credit is due on demand with no set expiration date.

NOTE 11 NOTES PAYABLE

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

	2024	2023
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
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.	300,662	301,662
Total Debt, CACLV	300,662	324,337
Less: Current Portion	700	23,375
Total Debt, CACLV, Noncurrent Portion	\$ 299,962	\$ 300,962

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NOTE 11 NOTES PAYABLE (CONTINUED)

	2024	2023
RTCLF		
Loans payable to various banks, government entities, and similar entities, interest varies from non-interest bearing to 2.5%. All loans require interest only payments on monthly, quarterly and annual schedules. Principal payments are due at maturity which fall in various periods from December 2024 to March 2031.	\$ 2,475,000	\$ 2,775,000
Loans payable to various individuals, noninterest bearing. Principal payments are due in five years from execution date in various periods from August 2024 through December 2028.	135,000	135,000
Total Debt, RTCLF	2,610,000	2,910,000
Less: Current Portion	365,000	1,160,000
Total Debt, RTCLF, Noncurrent Portion	2,245,000	1,750,000
Total Debt, Noncurrent Portion	\$ 2,544,962	\$ 2,050,962

Maturities of long-term debt are as follows:

Year Ending June 30	CACLV	RTCLF	Total
2025	\$ 700	\$ 365,000	\$ 365,700
2026	700	-	700
2027	700	50,000	50,700
2028	700	1,085,000	1,085,700
2027	700	610,000	610,700
Thereafter	297,162	500,000	797,162
Total	\$ 300,662	\$ 2,610,000	\$ 2,910,662

Interest expense on debt for the Organization was \$62,629 and \$50,094 for the years ended June 30, 2024 and 2023, 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, 2024, the Organization was in compliance with these covenants.

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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.

	2024	2023
CACLV		
Lehigh County Emergency Rental Assistance Program	\$ -	\$ 1,001,425
Second Harvest Food Bank	166,332	475,729
Community Action Better Homes	1,733,628	3,348,670
Total CACLV	1,899,960	4,825,824
RTCLF		
CDFI - Small Business Technical Assistance	\$ 232,177	\$ 159,682
PA Council on the Arts	67,624	75,000
Total RTCLF	299,801	234,682
Total Refundable Advances	\$ 2,199,761	\$ 5,060,506

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:

	2024	(As Restated) 2023
CACLV		
Second Harvest Food Bank	\$ -	\$ 2,244,215
Housing Counseling	-	211,742
Racial and Ethnic Justice	-	36,095
Slate Belt Rising	-	54,109
Sixth Street Shelter	-	140,999
Permanent Endowment	-	5,000
Total CACLV	-	2,692,160

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NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>2024</u>	<u>(As Restated) 2023</u>
Net Assets With Donor Restrictions - Rollforward	\$ -	\$ 2,692,160
CADCA		
Neighborhood Assistance Program	148,454	418,629
Total CADCA	<u>148,454</u>	<u>418,629</u>
CADCB		
Neighborhood Assistance Program	139,003	137,680
Friendship Park	-	730
Total CADCB	<u>139,003</u>	<u>138,410</u>
RTCLF		
Northampton County Revolving Loan Fund	250,000	250,000
Bangor Economic Development	110,244	110,244
Total RTCLF	<u>360,244</u>	<u>360,244</u>
LNCRLF		
Revolving Loan Fund	507,897	509,765
Total LNCRLF	<u>507,897</u>	<u>509,765</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,155,598</u>	<u>\$ 4,119,208</u>

CACLV's endowment consists of an individual fund established for Second Harvest Food Bank. As of June 30, 2024 and 2023 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.

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NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	<u>2024</u>	<u>(As Restated) 2023</u>
<i>Satisfaction of Purpose Restriction:</i>		
CACLV		
Second Harvest Food Bank Operations	\$ 5,302,542	\$ 4,790,430
Housing Counseling	478,526	1,077,700
Racial and Ethnic Justice	317,146	301,847
Sixth Street Shelter	649,196	267,924
Slate Belt Rising	253,230	173,089
Total CACLV	<u>7,000,640</u>	<u>6,610,990</u>
CADCA		
Neighborhood Assistance Program	920,175	488,283
Total CADCA	<u>920,175</u>	<u>488,283</u>
CADCB		
Neighborhood Assistance Program	327,407	440,599
Friendship Park	-	41,260
Other Programs	-	30,000
Total CADCB	<u>327,407</u>	<u>511,859</u>
RTCLF		
Other Programs	-	48,808
Total RTCLF	<u>-</u>	<u>48,808</u>
LNCRLF		
Revolving Loan Fund	1,868	8,565
Total LNCRLF	<u>1,868</u>	<u>8,565</u>
 Total Released from Donor Restrictions	 <u>\$ 8,250,090</u>	 <u>\$ 7,668,505</u>

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:

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NOTE 14 NET ASSETS WITHOUT DONOR RESTRICTIONS (CONTINUED)

	2024	2023
Undesignated	\$ 13,932,634	\$ 13,076,991
Board Designated for:		
Capital Reserve (CACLV)	250,000	250,000
Operating Reserve (CACLV)	250,000	250,000
Endowment (RTCLF)	10,005	10,005
Total	\$ 14,442,639	\$ 13,586,996

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 \$319,069 and \$275,325 for the years ended June 30, 2024 and 2023, respectively.

NOTE 16 PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2024, the Organization reviewed the history of the contributions received and subsequent use of related to its program titled Second Harvest Food Bank. The Organization concluded that the balance of net assets with donor restrictions as previously reported did not account for capital expenditures and other operating costs which consumed contributions previously received with donor restrictions. As such, the Organization restated the classification of its net assets between with and without donor restricted as of July 1, 2022 as well as the recognition of contributions and grants with donor restrictions and the total net assets release for restrictions for the year ended June 30, 2023.

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NOTE 15 PRIOR PERIOD ADJUSTMENT (CONTINUED)

The effect of the prior period adjustment is as follows:

	<u>As Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
Net Assets without Donor Restrictions as of July 1, 2022	\$ 14,034,167	\$ 695,462	\$ 14,729,629
Net Assets With Donor Restrictions as of July 1, 2022	7,453,616	(695,462)	6,758,154
Contributions without Donor Restrictions	2,183,839	(1,702,444)	481,395
Grants without Donor Restrictions	19,021,464	1,925,801	20,947,265
Contributions with Donor Restrictions	3,216,871	1,702,444	4,919,315
Grants with Donor Restrictions	2,036,045	(1,925,801)	110,244
Net Assets Released from Restrictions	<u>\$ 5,939,801</u>	<u>\$ 1,728,704</u>	<u>\$ 7,668,505</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2024**

ASSETS	<u>CACLV</u>	<u>CADCA</u>	<u>CADCB</u>	<u>LVCLT</u>	<u>RTCLF</u>	<u>LNCRFL</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 4,160,142	\$ 224,940	\$ 219,223	\$ 81,229	\$ 167,296	\$ -	\$ -	\$ 6,302,830
Restricted Cash	-	-	-	-	101,029	109,028	-	1,120,057
Certificates of Deposit	-	-	-	-	1,000,000	351,232	-	1,351,232
Grant Receivable	2,378,071	9,189	46,802	-	587	-	-	2,434,649
Accounts Receivable	62,709	-	-	-	59,823	-	-	122,532
Unconditional Promises to Give	12,504	-	-	-	-	-	-	12,504
Accounts Receivable, Subsidiaries	436,107	114,369	135,206	-	42,196	-	(727,878)	-
Program Loans Receivable, Net of 2024 Reserves of \$374,243	-	-	-	-	311,859	10,932	-	322,791
Inventory	1,347,576	-	-	-	-	-	-	1,347,576
Property Inventory, Net of 2024 Reserves of \$174,000	544,462	-	-	-	-	-	-	544,462
Prepaid Expenses	400,457	-	-	-	-	-	-	400,457
Total Current Assets	<u>9,342,028</u>	<u>348,498</u>	<u>401,231</u>	<u>81,229</u>	<u>4,042,790</u>	<u>471,192</u>	<u>(727,878)</u>	<u>13,959,090</u>
PROPERTY AND EQUIPMENT, NET	6,546,867	782,698	-	217,185	4,908	-	-	7,551,658
OPERATING LEASE RIGHT OF USE ASSET, NET OF AMORTIZATION	-	-	7,736	-	-	-	-	7,736
OTHER ASSETS								
Program Loans Receivable, Net of Current Portion	-	-	-	-	2,174,557	39,927	-	2,214,484
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,174,557</u>	<u>39,927</u>	<u>-</u>	<u>2,214,484</u>
Total Assets	<u>\$ 15,888,895</u>	<u>\$ 1,131,196</u>	<u>\$ 408,967</u>	<u>\$ 298,414</u>	<u>\$ 6,222,255</u>	<u>\$ 511,119</u>	<u>\$ (727,878)</u>	<u>\$ 23,732,968</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2024**

LIABILITIES AND NET ASSETS	<u>CACL</u>	<u>CADCA</u>	<u>CADCB</u>	<u>LVCLT</u>	<u>RTCLF</u>	<u>LNCRLF</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT LIABILITIES								
Current Portion of Long-Term Debt	\$ 700	\$ -	\$ -	\$ -	\$ 365,000	\$ -	\$ -	\$ 365,700
Line of Credit	-	-	-	-	175,000	-	-	175,000
Operating Lease Liabilities - Current Portion	-	-	7,736	-	-	-	-	7,736
Accounts Payable and Accrued Expenses	1,513,813	30,824	19,124	-	481	13	-	1,564,255
Accounts Payable, Subsidiaries	291,770	305,750	88,020	4,542	34,587	3,209	(727,878)	-
Accrued Interest	-	-	-	-	14,083	-	-	14,083
Accrued Wages	116,846	5,433	5,105	-	5,690	-	-	133,074
Compensated Absences	159,074	4,462	4,289	-	6,599	-	-	174,424
Refundable Advances	1,899,960	-	-	-	299,801	-	-	2,199,761
Custodial Funds	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>3,982,163</u>	<u>346,469</u>	<u>124,274</u>	<u>4,542</u>	<u>901,241</u>	<u>3,222</u>	<u>(727,878)</u>	<u>4,634,033</u>
NONCURRENT LIABILITIES								
Long-Term Debt, Less Current Maturities	299,962	-	-	-	2,245,000	-	-	2,544,962
Loans Held for Others	-	-	-	-	955,736	-	-	955,736
Total Noncurrent Liabilities	<u>299,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,736</u>	<u>-</u>	<u>-</u>	<u>3,500,698</u>
Total Liabilities	4,282,125	346,469	124,274	4,542	4,101,977	3,222	(727,878)	8,134,731
NET ASSETS								
Without Donor Restrictions								
Undesignated	11,096,765	636,273	145,690	293,872	1,760,034	-	-	13,932,634
Board Designated	510,005	-	-	-	-	-	-	510,005
With Donor Restrictions	-	148,454	139,003	-	360,244	507,897	-	1,155,598
Total Net Assets	<u>11,606,770</u>	<u>784,727</u>	<u>284,693</u>	<u>293,872</u>	<u>2,120,278</u>	<u>507,897</u>	<u>-</u>	<u>15,598,237</u>
Total Liabilities and Net Assets	<u>\$ 15,888,895</u>	<u>\$ 1,131,196</u>	<u>\$ 408,967</u>	<u>\$ 298,414</u>	<u>\$ 6,222,255</u>	<u>\$ 511,119</u>	<u>\$ (727,878)</u>	<u>\$ 23,732,968</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRFL	Eliminations	Total
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS								
Contributions and Grants, Private	\$ 333,840	\$ 13,000	\$ 94,459	\$ 21	\$ 96,413	\$ -	\$ -	\$ 537,733
Grants, Government	13,991,231	159,189	199,710	-	235,468	-	(310,000)	14,275,598
Donated Food Products	23,275,217	-	-	-	-	-	-	23,275,217
Program Services	1622,934	-	3,290	4,500	13,138	258	(725,963)	918,157
Interest Income	75,531	-	-	-	322,400	4,493	-	402,424
Loss on Sale of Homes	(539)	-	-	(475)	-	-	-	(1,014)
Total	<u>39,298,214</u>	<u>172,189</u>	<u>297,459</u>	<u>4,046</u>	<u>667,419</u>	<u>4,751</u>	<u>(1,035,963)</u>	<u>39,408,115</u>
NET ASSETS RELEASED FROM RESTRICTIONS								
	<u>7,000,640</u>	<u>920,175</u>	<u>327,407</u>	<u>-</u>	<u>-</u>	<u>1,868</u>	<u>-</u>	<u>8,250,090</u>
Total Revenue and Support	46,298,854	1,092,364	624,866	4,046	667,419	6,619	(1,035,963)	47,658,205
EXPENSES								
Program	40,389,582	420,134	577,301	10,401	903,936	6,276	(602,541)	41,705,089
Supporting Services:								
Management and General	4,212,050	111,313	81,405	-	92,256	343	(262,637)	4,234,730
Fundraising	862,743	65,459	58,191	-	47,135	-	(170,785)	862,743
Total Expenses	<u>45,464,375</u>	<u>596,906</u>	<u>716,897</u>	<u>10,401</u>	<u>1,043,327</u>	<u>6,619</u>	<u>(1,035,963)</u>	<u>46,802,562</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
	834,479	495,458	(92,031)	(6,355)	(375,908)	-	-	855,643
NET ASSETS WITHOUT DONOR RESTRICTIONS								
Net Assets - Beginning of Year as previously reported	8,124,768	140,815	237,721	300,227	2,135,942	-	-	10,939,473
Prior Period Adjustment	2,647,523	-	-	-	-	-	-	2,647,523
Net Assets - Beginning of Year, as restated	<u>10,772,291</u>	<u>140,815</u>	<u>237,721</u>	<u>300,227</u>	<u>2,135,942</u>	<u>-</u>	<u>-</u>	<u>13,586,996</u>
NET ASSETS - END OF YEAR	<u>\$ 11,606,770</u>	<u>\$ 636,273</u>	<u>\$ 145,690</u>	<u>\$ 293,872</u>	<u>\$ 1,760,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,442,639</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LCNRLF	Eliminations	Total
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS								
Contributions and Grants, Private	\$ 4,308,480	\$ 650,000	\$ 328,000	\$ -	\$ -	\$ -	\$ -	\$ 5,286,480
Total	4,308,480	650,000	328,000	-	-	-	-	5,286,480
NET ASSETS RELEASED FROM RESTRICTIONS								
Total	(7,000,640)	(920,175)	(327,407)	-	-	(1,868)	-	(8,250,090)
	(7,000,640)	(920,175)	(327,407)	-	-	(1,868)	-	(8,250,090)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	(2,692,160)	(270,175)	593	-	-	(1,868)	-	(2,963,610)
NET ASSETS WITH DONOR RESTRICTIONS								
Net Assets - Beginning of Year, as previously reported	5,339,683	418,629	138,410	-	360,244	509,765	-	6,766,731
Prior Period Adjustment	(2,647,523)	-	-	-	-	-	-	(2,647,523)
Net Assets - Beginning of Year, as restated	2,692,160	418,629	138,410	-	360,244	509,765	-	4,119,208
NET ASSETS - END OF YEAR	-	148,454	139,003	-	360,244	507,897	-	1,155,598
TOTAL CHANGE NET ASSETS	\$ (1,857,681)	\$ 225,283	\$ (91,438)	\$ (6,355)	\$ (375,908)	\$ (1,868)	\$ -	\$ (2,107,967)

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

PROGRAM EXPENSES	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total
PERSONNEL								
Salaries and Wages	\$ 3,260,339	\$ 148,720	\$ 140,081	\$ -	\$ 198,229	\$ -	\$ -	\$ 3,747,369
Employee Benefits/Payroll Taxes	1,356,776	77,786	56,852	-	91,623	-	-	1,583,037
Conferences and Training	68,065	3,222	2,601	-	1,996	-	-	75,884
Travel	36,738	2,719	60	-	598	-	-	40,115
Total Personnel	<u>4,721,918</u>	<u>232,447</u>	<u>199,594</u>	<u>-</u>	<u>292,446</u>	<u>-</u>	<u>-</u>	<u>5,446,405</u>
OTHER								
Advertising and Promotion	5,130	-	874	-	2,783	-	-	8,787
Computer Tech Support	16,157	823	321	-	1,748	-	-	19,049
Contracted Services/Assistance	5,210,288	53,838	-	-	-	-	(310,000)	4,954,126
Credit Loss Expense (Recovery)	-	-	-	-	282,641	(1,153)	-	281,488
Depreciation	354,306	-	-	-	6,832	-	-	361,138
Dues and Subscriptions	37,523	6,199	-	-	15,510	-	-	59,232
Equipment Maintenance and Repairs	340,269	2,404	2,923	-	363	98	-	346,057
Facility Maintenance and Utilities	199,878	-	-	-	-	-	-	199,878
Food Distributions	25,968,227	-	-	-	-	-	-	25,968,227
Grants	-	3,129	305,098	2,281	2,722	1,819	-	315,049
Insurance	83,309	12,234	753	4,600	890	-	-	101,786
Interest	-	-	-	-	6,1647	-	-	6,1647
Management Fees	-	35,022	15,029	-	224,050	5,440	(279,541)	-
Minor Equipment Purchase	93,391	-	-	-	-	-	-	93,391
Miscellaneous	24,889	25,429	2,010	16	6,777	-	-	59,121
Occupancy	775	28,224	21,132	-	-	-	(13,000)	37,131
Postage	11,402	-	48	-	366	72	-	11,888
Printing	8,091	52	-	-	40	-	-	8,183
Professional Fees	140,414	9,721	22,299	1015	3,816	-	-	144,105
Project Cost Loss Reserve (Recovery)	144,000	-	-	-	-	-	-	144,000
Supplies	1315,143	1,699	140	-	211	-	-	1,317,193
Telephone	56,632	8,913	7,080	-	1,094	-	-	73,719
Utilities	179,573	-	-	2,489	-	-	-	182,062
Vehicle Operation and Repairs	214,527	-	-	-	-	-	-	214,527
Total Other	<u>35,667,664</u>	<u>187,687</u>	<u>377,707</u>	<u>10,401</u>	<u>611,490</u>	<u>6,276</u>	<u>(602,541)</u>	<u>36,258,684</u>
Total Program Expenses	<u>\$ 40,389,582</u>	<u>\$ 420,134</u>	<u>\$ 577,301</u>	<u>\$ 10,401</u>	<u>\$ 903,936</u>	<u>\$ 6,276</u>	<u>\$ (602,541)</u>	<u>\$ 41,705,089</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LCNRLF	Eliminations	Total
MANAGEMENT AND GENERAL EXPENSES								
PERSONNEL								
Salaries and Wages	\$ 1,797,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,942
Employee Benefits/Payroll Taxes	828,770	-	-	-	-	-	-	828,770
Conferences and Training	35,323	-	-	-	-	-	-	35,323
Travel	8,659	-	-	-	-	-	-	8,659
Total Personnel	2,670,694	-	-	-	-	-	-	2,670,694
OTHER								
Advertising and promotion	(50)	-	-	-	-	-	-	(50)
Computer Tech Support	175,061	-	-	-	-	-	-	175,061
Contracted Services/Assistance	3,400	-	-	-	-	-	-	3,400
Depreciation	126,164	-	-	-	-	-	-	126,164
Dues and Subscriptions	13,523	-	-	-	-	-	-	13,523
Equipment Maintenance and Repairs	10,061	-	-	-	-	-	-	10,061
Facility Maintenance and Utilities	65,212	-	-	-	-	-	-	65,212
Insurance	497,179	-	-	-	-	-	-	497,179
Interest	982	-	-	-	-	-	-	982
Management Fees	-	96,226	81,405	-	85,006	-	(262,637)	-
Minor Equipment Purchase	6,085	-	-	-	-	-	-	6,085
Miscellaneous	15,451	-	-	-	-	-	-	15,451
Occupancy	970	-	-	-	-	-	-	970
Postage	11,055	-	-	-	-	-	-	11,055
Printing	449	-	-	-	-	-	-	449
Professional Fees	455,268	15,087	-	-	7,250	343	-	477,948
Supplies	53,397	-	-	-	-	-	-	53,397
Telephone	65,988	-	-	-	-	-	-	65,988
Utilities	38,826	-	-	-	-	-	-	38,826
Vehicle Operation and Repairs	2,335	-	-	-	-	-	-	2,335
Total Other	1,541,356	111,313	81,405	-	92,256	343	(262,637)	1,564,036
Total Management and General Expenses	\$ 4,212,050	\$ 111,313	\$ 81,405	\$ -	\$ 92,256	\$ 343	\$ (262,637)	\$ 4,234,730

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

FUNDRAISING EXPENSES	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total
PERSONNEL								
Salaries and Wages	\$ 504,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,164
Employee Benefits/Payroll Taxes	219,921	-	-	-	-	-	-	219,921
Conferences and Training	37,768	-	-	-	-	-	-	37,768
Travel	409	-	-	-	-	-	-	409
Total Personnel	<u>762,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,262</u>
OTHER								
Advertising and promotion	8,772	-	-	-	-	-	-	8,772
Computer Tech Support	13,613	-	-	-	-	-	-	13,613
Dues and Subscriptions	1,425	-	-	-	-	-	-	1,425
Management Fees	-	65,459	58,191	-	47,135	-	(170,785)	-
Minor Equipment Purchase	124	-	-	-	-	-	-	124
Postage	48,370	-	-	-	-	-	-	48,370
Printing	15,332	-	-	-	-	-	-	15,332
Professional Fees	4,520	-	-	-	-	-	-	4,520
Supplies	8,325	-	-	-	-	-	-	8,325
Total Other	<u>100,481</u>	<u>65,459</u>	<u>58,191</u>	<u>-</u>	<u>47,135</u>	<u>-</u>	<u>(170,785)</u>	<u>100,481</u>
Total Fundraising Expenses	<u>862,743</u>	<u>65,459</u>	<u>58,191</u>	<u>-</u>	<u>47,135</u>	<u>-</u>	<u>(170,785)</u>	<u>862,743</u>
Total Functional Expenses	<u>\$ 45,464,375</u>	<u>\$ 596,906</u>	<u>\$ 716,897</u>	<u>\$ 10,401</u>	<u>\$ 1,043,327</u>	<u>\$ 6,619</u>	<u>\$ (1,035,963)</u>	<u>\$ 46,802,562</u>

**COMMUNITY ACTION COMMITTEE
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES
PARENT COMPANY'S STATEMENT OF PROGRAM EXPENSES
YEAR ENDED JUNE 30, 2024**

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	\$ 497,137	\$ 416,823	\$ 1,497,795	\$ 255,146	\$ 300,814	\$ -	\$ 218,228	\$ 74,396	\$ 3,260,339
Employee Benefits/Payroll Taxes	206,526	150,421	710,718	87,866	91,630	-	78,028	31,587	1,356,776
Conferences and Training	2,689	6,457	37,132	2,879	280	-	18,628	-	68,065
Travel	1,744	202	27,943	1,600	3,398	-	1,851	-	36,738
Total Personnel	708,096	573,903	2,273,588	347,491	396,122	-	316,735	105,983	4,721,918
OTHER									
Advertising and promotion	-	-	3,856	-	1,268	-	6	-	5,130
Computer Tech Support	215	124	13,660	363	682	11	490	612	16,157
Contracted Services	-	10,372	50,923	2,000	2,484,331	2,490,800	36,994	134,868	5,210,288
Depreciation	494	75,002	254,399	3,032	21,379	-	-	-	354,306
Dues and subscriptions	-	139	29,968	6,557	806	-	53	-	37,523
Equipment maintenance	1,882	6,330	325,241	5,289	206	-	800	521	340,269
Facility maintenance	-	81,593	112,835	-	2,213	3,237	-	-	199,878
Food distributions	-	73	25,968,154	-	-	-	-	-	25,968,227
Insurance	16,203	24,605	33,473	3,980	1,214	1,565	2,200	69	83,309
Minor equipment purchase	3,856	1,122	5,867	4,492	231	76,667	1,140	16	93,391
Miscellaneous	1,600	3,505	12,272	-	6,761	250	501	-	24,889
Occupancy	-	750	25	-	-	-	-	-	775
Postage	1,106	170	8,759	322	787	-	175	83	11,402
Printing	146	651	5,520	1,549	225	-	-	-	8,091
Professional fees	1,071,691	506	263,769	36	83	65,417	2,652	-	1,404,154
Project loss reserve	-	-	-	-	144,000	-	-	-	144,000
Supplies	1,017,676	33,338	247,135	3,196	2,237	34	11,521	6	1,315,143
Telephone	5,845	16,825	29,321	-	2,184	27	2,385	45	56,632
Utilities	-	41,075	136,893	-	1,166	439	-	-	179,573
Vehicle operations	21,218	4,017	183,527	-	5,765	-	-	-	214,527
Total Other	2,141,932	300,197	27,685,597	30,816	2,675,538	2,638,447	58,917	136,220	35,667,664
Total Program Expenses	<u>\$ 2,850,028</u>	<u>\$ 874,100</u>	<u>\$29,959,185</u>	<u>\$ 378,307</u>	<u>\$ 3,071,660</u>	<u>\$ 2,638,447</u>	<u>\$ 375,652</u>	<u>\$ 242,203</u>	<u>\$40,389,582</u>



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