

**COMMUNITY ACTION DEVELOPMENT
CORPORATION OF BETHLEHEM, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action Development Corporation of Bethlehem, Inc.
Bethlehem, Pennsylvania

Report on the Audits of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Action Development Corporation of Bethlehem, Inc. 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Development Corporation of Bethlehem, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Action Development Corporation of Bethlehem, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Development Corporation of Bethlehem, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Bethlehem, Pennsylvania
January 8, 2026

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 219,223	\$ 388,260
Grants Receivable	46,802	-
Accounts Receivable, Affiliates	135,206	32,500
Prepaid Expenses	-	850
Total Current Assets	401,231	421,610
PROPERTY AND EQUIPMENT		
Office Equipment	10,559	10,559
Less: Accumulated Depreciation	(10,559)	(10,559)
Property and Equipment, Net	-	-
RIGHT OF USE ASSETS		
	7,736	22,882
Total Assets	\$ 408,967	\$ 444,492
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Operating Lease Liabilities - Current Portion	\$ 7,736	\$ 15,146
Accounts Payable	19,124	13,234
Accounts Payable, Affiliates	88,020	27,313
Compensated Absences	4,289	151
Accrued Salaries	5,105	4,781
Total Current Liabilities	124,274	60,625
Operating Lease Liabilities - Long-Term Portion	-	7,736
Total Liabilities	124,274	68,361
NET ASSETS		
Without Donor Restrictions	145,690	237,721
With Donor Restrictions	139,003	138,410
Total Net Assets	284,693	376,131
Total Liabilities and Net Assets	\$ 408,967	\$ 444,492

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and Grants, Private	\$ 94,459	\$ 328,000	\$ 422,459
Grants, Government	199,710	-	199,710
Program Fees	3,290	-	3,290
Net Assets Released from Restrictions	327,407	(327,407)	-
Total Revenues and Support	624,866	593	625,459
EXPENSES			
Program Services	577,301	-	577,301
Management and General	81,405	-	81,405
Fundraising	58,191	-	58,191
Total Expenses	716,897	-	716,897
CHANGE IN NET ASSETS	(92,031)	593	(91,438)
Net Assets - Beginning of Year	237,721	138,410	376,131
NET ASSETS - END OF YEAR	\$ 145,690	\$ 139,003	\$ 284,693

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and Grants, Private	\$ 75,120	\$ 325,000	\$ 400,120
Grants, Government	132,465	-	132,465
Net Assets Released from Restrictions	511,859	(511,859)	-
Total Revenues and Support	719,444	(186,859)	532,585
EXPENSES			
Program Services	588,608	-	588,608
Management and General	54,833	-	54,833
Fundraising	61,277	-	61,277
Total Expenses	704,718	-	704,718
CHANGE IN NET ASSETS	14,726	(186,859)	(172,133)
Net Assets - Beginning of Year	222,995	325,269	548,264
NET ASSETS - END OF YEAR	\$ 237,721	\$ 138,410	\$ 376,131

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services		
	Community Development	Other Programs	Total Program Services	Management and General	Fundraising	Total
PERSONNEL						
Salaries	\$ 125,273	\$ 14,808	\$ 140,081	\$ -	\$ -	\$ 140,081
Employee Benefits and Payroll Taxes	49,663	7,189	56,852	-	-	56,852
Meetings and Training	429	2,172	2,601	-	-	2,601
Travel	-	60	60	-	-	60
Total Personnel	<u>175,365</u>	<u>24,229</u>	<u>199,594</u>	<u>-</u>	<u>-</u>	<u>199,594</u>
OTHER						
Advertising and Promotion	474	400	874	-	-	874
Computer Tech Support	252	69	321	-	-	321
Equipment Maintenance	0	2,923	2,923	-	-	2,923
Grants - Southside Revitalization	291,997	13,101	305,098	-	-	305,098
Insurance	-	753	753	-	-	753
Legal, Audit, and Professional Fees	-	22,299	22,299	-	-	22,299
Management Fees	-	15,029	15,029	81,405	58,191	154,625
Occupancy	18,736	2,396	21,132	-	-	21,132
Other	-	2,010	2,010	-	-	2,010
Postage	-	48	48	-	-	48
Supplies	42	98	140	-	-	140
Telephone	2,571	4,509	7,080	-	-	7,080
Total Other	<u>314,072</u>	<u>63,635</u>	<u>377,707</u>	<u>81,405</u>	<u>58,191</u>	<u>517,303</u>
Total Expenses by Function	<u>\$ 489,437</u>	<u>\$ 87,864</u>	<u>\$ 577,301</u>	<u>\$ 81,405</u>	<u>\$ 58,191</u>	<u>\$ 716,897</u>

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services			Supporting Services		
	Community Development	Other Programs	Total Program Services	Management and General	Fundraising	Total
PERSONNEL						
Salaries	\$ 119,219	\$ -	\$ 119,219	\$ -	\$ -	\$ 119,219
Employee Benefits and Payroll Taxes	56,795	-	56,795	-	-	56,795
Meetings and Training	-	296	296	-	-	296
Travel	-	2	2	-	-	2
Total Personnel	<u>176,014</u>	<u>298</u>	<u>176,312</u>	<u>-</u>	<u>-</u>	<u>176,312</u>
OTHER						
Advertising and Promotion	21	-	21	-	-	21
Computer Tech Support	-	70	70	-	-	70
Dues and Subscriptions	29	75	104	-	-	104
Equipment Maintenance	-	3,983	3,983	-	-	3,983
Grants - Southside Revitalization	330,735	501	331,236	-	-	331,236
Insurance	-	850	850	-	-	850
Legal, Audit, and Professional Fees	19,750	130	19,880	-	-	19,880
Management Fees	-	13,487	13,487	54,833	61,277	129,597
Occupancy	21,467	2,423	23,890	-	-	23,890
Other	669	1,362	2,031	-	-	2,031
Postage	18	25	43	-	-	43
Subgrantee Payments	6,358	-	6,358	-	-	6,358
Supplies	1,250	693	1,943	-	-	1,943
Telephone	7,819	581	8,400	-	-	8,400
Total Other	<u>388,116</u>	<u>24,180</u>	<u>412,296</u>	<u>54,833</u>	<u>61,277</u>	<u>528,406</u>
Total Expenses by Function	<u>\$ 564,130</u>	<u>\$ 24,478</u>	<u>\$ 588,608</u>	<u>\$ 54,833</u>	<u>\$ 61,277</u>	<u>\$ 704,718</u>

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (91,438)	\$ (172,133)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
(Increase) Decrease in Assets:		
Grants Receivable	(46,802)	7,348
Accounts Receivable, Affiliates	(102,706)	22,023
Prepaid Expenses	850	-
Increase (Decrease) in Liabilities:		
Accounts Payable	5,890	7,117
Account Payable, Affiliates	60,707	(15,480)
Compensated Absences	4,138	(4,066)
Accrued Salaries	324	(4,488)
Net Cash Used by Operating Activities	(169,037)	(159,679)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(169,037)	(159,679)
Cash and Cash Equivalents - Beginning of Year	388,260	547,939
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 219,223	\$ 388,260

See accompanying Notes to Financial Statements.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Community Action Development Corporation of Bethlehem, Inc. (CADCB) is a nonprofit, tax-exempt corporation. CADCB is a subsidiary of Community Action Committee of the Lehigh Valley, Inc.

The mission of CADCB is to promote social and economic change by fostering business and other economic opportunities within the communities of South Bethlehem and Northside 2027. CADCB works toward neighborhood stabilization through engaging in community economic development that consists of connecting residents and business owners to mainstream economic opportunities, resulting in expanded income, employment, and ownership opportunities; working in partnership with the City of Bethlehem to implement the Southside Vision 2014-2024 Master Plan and Northside 2027 Plan, resulting in a more economically viable South Bethlehem and North Bethlehem; and promoting policies that increase economic opportunities for residents of South Bethlehem and the Northside 2027 neighborhood.

CADCB's governing body is a board of directors made up of representatives of the target neighborhood and representatives of the business community as well as local funding sources. By design, the board of directors will always draw half of its membership from the neighborhood it serves and will include representatives from traditionally under- represented groups.

CADCB fulfills its mission through the operation of the following programs:

Community Development

CADCB believes that thriving neighborhoods must include parks and physical assets that bring residents and visitors together, as well as clean, safe, and attractive commercial districts. Since CADCB was founded, it has played a central role in expanding green space through the construction of the South Bethlehem Greenway, the Bethlehem Skateplaza, the Yosko Splash Park, Tranquility Park, and Lopes International Park, all in south Bethlehem. Ongoing community development initiatives include support for the Southside Ambassadors program, street tree planting, and public art projects.

Basis of Accounting

The accompanying financial statements of CADCB 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*.

Basis of Presentation

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:

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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. There are no board designated net assets as of June 30, 2024 and 2023.

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

Cash and Cash Equivalents

Cash and cash equivalents consist solely of CADCB's checking account.

Concentration of Credit Risk

CADCB maintains cash balances with a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, cash deposited in the financial institution may exceed the insured limits. CADCB had an at-risk balance of \$0 and \$140,000 at June 30, 2024 and 2023.

CADCB receives a substantial portion of its support in the form of annual grants from federal, state and local governmental agencies, as well as from public contributions under Commonwealth of Pennsylvania tax credit programs. This support is dependent on CADCB'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 CADCB's operations.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service income and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

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

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Consequently, at June 30, 2024, contributions approximating \$975,000, have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met. Detail of the conditional promises to give is contained in Note 7.

A portion of CADCB's revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CADCB has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2024 and 2023, CADCB has no refundable advances.

Revenue under the grant contracts for the years ended June 30, 2024 and 2023 was \$199,710 and \$132,465, respectively. Receivables related to grant contracts of CADCB as of June 30, 2024 and 2023 were \$46,802 and \$-, respectively.

Donated Services

Donated services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The CADCB's functions that are accomplished through unpaid volunteer time do not meet the criteria for recognition and accordingly, no donated services have been recorded for the years ended June 30, 2024 and 2023.

Property and Equipment

Purchased property and equipment are carried at cost, less accumulate depreciation. Maintenance and repairs that neither materially add to the value of property nor appreciably prolong its life are charged to expense. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Related gains or losses from such transactions are credited or charged to income.

Depreciation is computed using the straight-line method over the assets' useful lives which range between three and seven years.

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.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing CADCB's various programs and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program, fundraising, or support service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated based on estimates made for time spent by key personnel between functions, space occupied by function, and other objective bases.

Income Taxes

CADCB is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the CADCB's tax-exempt purpose is subject to taxation as unrelated business income.

CADCB complies with the guidance for uncertainty in income taxes using the provisions of FASB ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by tax authorities.

As of June 30, 2024 and 2023, CADCB had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Advertising Expense

Advertising costs are expensed as incurred and were \$874 and \$21 for the years ended June 30, 2024 and 2023, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of New Accounting Standard

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.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (Continued)

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.

Leases

The Organization determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the Organization’s 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. The lease term 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 leases 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 ROU assets on the statements 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 of 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 judgment.

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

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

Subsequent Events

CADCB has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 8, 2026, the date the statements were available to be issued. No events or transactions have occurred subsequent to year-end which would require recognition or disclosure in the financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY

Management and board of directors regularly monitors liquidity needed to meet CADCB's operating needs and other contractual commitments. CADCB 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 and contractually obligated short-term receivables.

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

The breakdown of financial resources as of June 30, 2024 and 2023, available to meet general expenditures within one year of the balance sheet date are listed below:

	2024	2023
Cash and Cash Equivalents	\$ 219,223	\$ 388,260
Grant Receivable	46,802	-
Accounts Receivable, Affiliates	135,206	32,500
Less: Contractual or Donor-Imposed Restrictions		
Making Financial Assets Unavailable for General Expenditure	(139,003)	(138,410)
Total	<u>\$ 262,228</u>	<u>\$ 282,350</u>

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as follows:

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Southside Revitalization Neighborhood		
Assistance Program	\$ 135,273	\$ 137,680
Friendship Park	730	730
Other Programs	3,000	-
Total Net Assets With Donor Restrictions	<u>\$ 139,003</u>	<u>\$ 138,410</u>

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

	<u>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions:		
Southside Revitalization Neighborhood		
Assistance Program	\$ 327,407	\$ 440,599
Friendship Park	-	41,260
Other Programs	-	30,000
Total Net Assets Released from Donor Restrictions	<u>\$ 327,407</u>	<u>\$ 511,859</u>

NOTE 4 RELATED PARTY TRANSACTIONS/COMMITMENTS

CADCB received government grants of \$130,000 and \$132,464 in 2024 and 2023, respectively, passed through from Community Action Committee of the Lehigh Valley, Inc. (CACLV). CADCB also received \$14,060 and \$12,000 of public contributions passed through from CACLV in 2024 and 2023, respectively. CADCB paid \$154,625 and \$129,597 in 2024 and 2023, respectively, to CACLV for management services provided under an annual contract.

Funds are periodically passed through between the related nonprofit entities that provide similar services and are managed by the same personnel as Community Action Development Corporation of Bethlehem. These fund transfers often pertain to an allocation of a combined donation or reimbursable managerial overhead and are shown as a related party receivable or payable. As of June 30, 2024 and 2023, the amounts due to/from related parties is as follows:

Related Party	<u>2024</u>		<u>2023</u>	
	Receivable	Payable	Receivable	Payable
Community Action Committee of the Lehigh Valley (CACLV)	<u>\$ 135,206</u>	<u>\$ 87,720</u>	<u>\$ 32,500</u>	<u>\$ 27,313</u>
Community Action Development Committee of Allentown (CADCB)	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION DEVELOPMENT CORPORATION OF BETHLEHEM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 RETIREMENT PLAN

CADCB sponsors a defined contribution retirement plan which covers all employees 21 years of age and having one year of service. The Plan provides for participants' pretax contributions to the Plan up to limits pursuant to Section 401(k) of the IRC. The CADCB is required to make contributions to the Plan in an amount equal to 7% of eligible participants' compensation. CADCB's contributions to the Plan for the years ended June 30, 2024 and 2023 were \$8,633 and \$7,934, respectively.

NOTE 6 LEASE COMMITMENT

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

The following tables provide quantitative information concerning CADCB's lease for the year ended June 30, 2024 and 2023:

	2024	2023
Operating lease cost	\$ 15,600	\$ 15,600
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 15,600	\$ 15,600
Right-of-use assets obtained in exchange for new operating lease liabilities:		
	\$ -	\$ 37,605
Weighted-average remaining lease term - operating leases	0.4 years	1.4 years
Weighted-average discount rate - operating leases	2.84%	2.84%

A maturity analysis of annual undiscounted cash flows from lease liabilities as of June 30, 2024 is as follows shows that the balance of the lease is all due during the year ended June 30, 2025:

Operating right of use leased assets was \$37,605 and related accumulated amortization was \$29,869, at June 30, 2024.

NOTE 7 CONTINGENT PLEDGE

During the year ended June 30, 2022, five local corporations made pledge commitments 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.



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