

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT
CORPORATION OF ALLENTOWN, INC.)**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
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YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action Development Corporation of the Lehigh Valley, Inc.
(dba: Community Action Development Corporation of Allentown, Inc.)
Allentown, Pennsylvania

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Community Action Development Corporation of the Lehigh Valley, Inc. (dba: Community Action Development Corporation of Allentown, 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 referred to above present fairly, in all material respects, the financial position of Community Action Development Corporation of the Lehigh Valley, Inc. (dba: Community Action Development Corporation of Allentown, Inc.) (CADCA), 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of CADCA 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 CADCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Community Action Development Corporation of the Lehigh Valley, Inc.
(dba: Community Action Development Corporation of Allentown, Inc.)

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 CADCA'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 CADCA'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 12, 2026

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 224,940	\$ 661,817
Accounts Receivable, Affiliates	114,369	32,500
Grants Receivable	9,189	10,000
Total Current Assets	348,498	704,317
PROPERTY AND EQUIPMENT		
	782,698	-
Total Assets	\$ 1,131,196	\$ 704,317
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable & Accrued Expenses	\$ 30,824	\$ 48,897
Accounts Payable, Affiliate	305,750	88,815
Accrued Wages	5,433	2,967
Compensated Absences	4,462	4,194
Total Liabilities	346,469	144,873
NET ASSETS		
Without Donor Restrictions	636,273	140,815
With Donor Restrictions	148,454	418,629
Total Net Assets	784,727	559,444
Total Liabilities and Net Assets	\$ 1,131,196	\$ 704,317

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENT 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	\$ 13,000	\$ 650,000	\$ 663,000
Grants, Government	159,189	-	159,189
Total Support	<u>172,189</u>	<u>650,000</u>	<u>822,189</u>
Net Assets Released from Restrictions	<u>920,175</u>	<u>(920,175)</u>	<u>-</u>
Total Revenue and Support	1,092,364	(270,175)	822,189
EXPENSES			
Program Services	420,134	-	420,134
Management and General	111,313	-	111,313
Fundraising	65,459	-	65,459
Total Expenses	<u>596,906</u>	<u>-</u>	<u>596,906</u>
CHANGE IN NET ASSETS	495,458	(270,175)	225,283
Net Assets - Beginning of Year	<u>140,815</u>	<u>418,629</u>	<u>559,444</u>
NET ASSETS - END OF YEAR	<u>\$ 636,273</u>	<u>\$ 148,454</u>	<u>\$ 784,727</u>

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Support:			
Contributions and Grants, Private	\$ 56,948	\$ 650,000	\$ 706,948
Grants, Government	169,886	-	169,886
Total Support	226,834	650,000	876,834
Net Assets Released from Restrictions	488,283	(488,283)	-
Total Revenue and Support	715,117	161,717	876,834
EXPENSES			
Program Services	681,854	-	681,854
Management and General	50,139	-	50,139
Fundraising	54,681	-	54,681
Total Expenses	786,674	-	786,674
CHANGE IN NET ASSETS	(71,557)	161,717	90,160
Net Assets - Beginning of Year	212,372	256,912	469,284
NET ASSETS - END OF YEAR	\$ 140,815	\$ 418,629	\$ 559,444

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services				Management and General	Fundraising	Total Expenses
	Community & Business Development	Allentown's Future	Other Programs	Total Program			
Salaries	\$ 78,732	\$ 29,976	\$ 40,012	\$ 148,720	\$ -	\$ -	\$ 148,720
Employee Benefits and Payroll Taxes	41,371	5,707	30,708	77,786	-	-	77,786
Meetings and Training	2,966	256	-	3,222	-	-	3,222
Travel	2,327	298	94	2,719	-	-	2,719
Computer Tech Support	-	-	823	823	-	-	823
Dues and Subscriptions	2,506	3,100	593	6,199	-	-	6,199
Equipment Maintenance	-	-	2,404	2,404	-	-	2,404
Insurance	-	8,271	3,963	12,234	-	-	12,234
Legal, Audit, and Professional Fees	-	-	9,721	9,721	15,087	-	24,808
Management Fees	13,000	-	22,022	35,022	96,226	65,459	196,707
Occupancy	6,792	964	20,468	28,224	-	-	28,224
Other Expense	-	-	25,429	25,429	-	-	25,429
Printing	-	-	52	52	-	-	52
Program Contract Costs and Supplies	3,250	32,570	18,018	53,838	-	-	53,838
Subgrantee Payments	-	3,129	-	3,129	-	-	3,129
Supplies	836	-	863	1,699	-	-	1,699
Telephone	3,119	503	5,291	8,913	-	-	8,913
Total Expenses	\$ 154,899	\$ 84,774	\$ 180,461	\$ 420,134	\$ 111,313	\$ 65,459	\$ 596,906

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services				Management and General	Fundraising	Total Expenses
	Community & Business Development	Allentown's Future	Other Programs	Total Program			
Salaries	\$ 89,476	\$ 11,610	\$ 23,446	\$ 124,532	\$ -	\$ -	\$ 124,532
Employee Benefits and Payroll Taxes	39,194	3,399	15,051	57,644	-	-	57,644
Meetings and Training	922	3,470	840	5,232	-	-	5,232
Travel	2,129	5,006	651	7,786	-	-	7,786
Computer Tech Support	-	-	106	106	-	-	106
Dues and Subscriptions	2,850	3,619	385	6,854	-	-	6,854
Equipment Maintenance	1,414	-	3,390	4,804	-	-	4,804
Insurance	-	-	3,331	3,331	-	-	3,331
Legal, Audit, and Professional Fees	-	3,549	74	3,623	(5,250)	-	(1,627)
Management Fees	-	-	6,082	6,082	55,389	54,681	116,152
Occupancy	6,463	7,527	2,066	16,056	-	-	16,056
Other Expense	10	-	4,422	4,432	-	-	4,432
Postage	126	29	-	155	-	-	155
Program Contract Costs and Supplies	10,570	356,130	30,422	397,122	-	-	397,122
Subgrantee Payments	-	29,521	-	29,521	-	-	29,521
Supplies	1,215	1,338	945	3,498	-	-	3,498
Telephone	9,762	218	1,096	11,076	-	-	11,076
Total Expenses	\$ 164,131	\$ 425,416	\$ 92,307	\$ 681,854	\$ 50,139	\$ 54,681	\$ 786,674

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 225,283	\$ 90,160
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Operating Assets and Liabilities:		
Grants Receivable	811	(10,000)
Contributions Receivable	-	250,000
Accounts Receivable, Affiliates	(81,869)	18,360
Accounts Payable & Accrued Expenses	(18,073)	13,409
Accounts Payable, Affiliates	216,935	55,073
Compensated Absences	268	702
Accrued Wages	2,466	(2,953)
Net Cash Provided by Operating Activities	345,821	414,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Capital Assets	(782,698)	-
Net Cash Provided (Used) by Investing Activities	(782,698)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(436,877)	414,751
Cash and Cash Equivalents - Beginning of Year	661,817	247,066
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 224,940	\$ 661,817

See accompanying Notes to Financial Statements.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 NATURE OF THE ORGANIZATION AND BUSINESS ACTIVITY

Nature of Operations

The Community Action Development Corporation of the Lehigh Valley, Inc. (dba: Community Action Development Corporation of Allentown, Inc.) (CADCA) is a nonprofit tax-exempt corporation. CADCA is a subsidiary of Community Action Committee of the Lehigh Valley, Inc.

The mission of CADCA is to elevate and empower residents by actively promoting neighborhood revitalization which strengthens the neighborhood economy, improves the quality of life and is inclusive of all residents.

CADCA'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 will always draw half of its membership from the neighborhood it serves and will include representatives from traditionally under- represented groups.

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

Community & Business Development

CADCA works with residents and neighborhood-based businesses in its target area by empowering them to improve their quality of life, foster community collaborations and create future opportunities for youth and their families.

Neighborhood Partnership Program (Allentown's Future)

Allentown's Future is a comprehensive strategy to provide opportunities for education, vocation, health and recreation, and citizenship to the youth of Center City Allentown. By interrupting the cycles of poverty and violence experienced by the City's youth, it is the goal of this plan to ensure they succeed at becoming healthy and productive community members while developing their roles in the future workforce of the City.

In addition to these key programs, CADCA also connects residents with social service and government resources as needed.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of CADCA 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 COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 SUMMARY OF 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 CADCA's checking account.

Concentration of Credit Risk

CADCA 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. CADCA had an at-risk balance of approximately \$20,000 and \$446,000 at June 30, 2024 and 2023.

CADCA 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 CADCA'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 CADCA'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 COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Consequently, at June 30, 2024, contributions approximating \$1,300,000, 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 CADCA'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 CADCA 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, CADCA has no refundable advances.

Revenue under the grant contracts for the years ended June 30, 2024 and 2023 was \$159,189 and \$169,886, respectively. Receivables related to grant contracts of CADCA as of June 30, 2024 and 2023 were \$50,000 and \$0, 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. CADCA'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 statements of financial position.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing CADCA'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

CADCA 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 CADCA's tax-exempt purpose is subject to taxation as unrelated business income.

CADCA 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, CADCA had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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 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.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (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.

Reclassification

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

CADCA has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 12, 2026, the date the statements were available to be issued. No Events or transactions have occurred subsequent to year-end that require recognition or disclosure in the financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY

Management and board of directors regularly monitor liquidity needed to meet CADCA’s operating needs and other contractual commitments. CADCA 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, CADCA strives to maintain sufficient liquid financial assets to cover three months of operating expenses. In addition to the financial assets available, CADCA operates with a balanced budget and anticipates collecting sufficient revenues to cover operating expenses.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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	2023
Cash and Cash Equivalents	\$ 224,940	\$ 661,817
Accounts Receivable, Affiliates	114,369	32,500
Grants Receivable	9,189	10,000
Subtotal	348,498	704,317
Less: Contractual or Donor Imposed Restriction Making Financial Assets Unavailable for General Expenditure	(148,454)	(418,629)
Total	\$ 200,044	\$ 285,688

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	Neighborhood Assistance Program
Balance - June 30, 2022	\$ 256,912
Revenue	650,000
Released from Restrictions	(488,283)
Balance - June 30, 2023	418,629
Revenue	650,000
Released from Restrictions	(920,175)
Balance - June 30, 2024	\$ 148,454

NOTE 5 RELATED PARTY TRANSACTIONS AND COMMITMENTS

During the years ended June 30, 2024 and 2023, CADCA received government grants of \$159,189 and \$169,886, respectively, passed through from the Community Action Committee of the Lehigh Valley, Inc. (CACLV). CADCA also received \$6,000 of public contributions passed through from CACLV in each of 2024 and 2023, respectively. CADCA has also disbursed \$3,129 and \$29,521 in grant funds to affiliates for the years ended June 30, 2024 and 2023, respectively.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

CADCA paid \$183,707 and \$116,152 in 2024 and 2023, respectively, to CACLV for management services provided under an annual contract.

NOTE 5 RELATED PARTY TRANSACTIONS AND COMMITMENTS (CONTINUED)

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 Allentown. 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, the amounts due to/from related parties are as follows:

	2024		2023	
	Receivable	Payable	Receivable	Payable
Community Action Committee of the Lehigh Valley (CACLV)	\$ 114,069	\$ 305,750	\$ 32,500	\$ 88,815
Community Action Development Committee of Bethlehem (CADCB)	\$ 300	\$ -	\$ -	\$ -

NOTE 6 RETIREMENT PLAN

CADCA maintains a 401(k) 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 defined by Section 401(k) of the IRC.

CADCA makes contributions to the Plan in an amount equal to 7% of eligible participants' compensation. CADCA's contributions to the Plan were \$9,225 and \$8,149 for 2024 and 2023, respectively.

NOTE 7 CONTINGENT PLEDGES

Local corporations have remaining pledge commitments 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.

**COMMUNITY ACTION COMMITTEE OF THE LEHIGH VALLEY, INC.
(DBA: COMMUNITY ACTION DEVELOPMENT CORPORATION OF ALLENTOWN, INC.)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 FUNDING DEPENDENCY

CADCA 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 the commonwealth of Pennsylvania tax credit programs. This support is dependent on CADCA'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 CADCA's operations.



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