

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.  
(A Not-for-Profit Corporation)**

**Financial Statements,  
Independent Auditor's Report,  
and Supplementary Information**

**June 30, 2020 and 2019**

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lehigh Valley Center for Independent Living, Inc.  
Allentown, PA

### Report on the Financial Statements

We have audited the accompanying financial statements of Lehigh Valley Center for Independent Living, Inc. (a Not-for-Profit Corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lehigh Valley Center for Independent Living, Inc. as of June 30, 2020 and 2019, 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.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of Lehigh Valley Center for Independent Living, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lehigh Valley Center for Independent Living, Inc.'s internal control over financial reporting and compliance.

*Cory Bell, Rappold & Yurashita LLP*

December 2, 2020

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020 and 2019**

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 414,493	\$ 165,316
Grants Receivable	179,998	113,423
Accounts Receivable	157,680	314,574
Prepaid Expenses	3,799	2,427
Leasehold Improvements and Equipment, Net of Accumulated Depreciation (Note 4)	36,589	44,017
Security Deposit	4,628	4,628
	<u>797,187</u>	<u>644,385</u>
Total Assets	<u>\$ 797,187</u>	<u>\$ 644,385</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts Payable	\$ 61,834	\$ 77,279
Accrued Salaries and Wages	65,136	66,934
Deferred Revenue	53,868	161,350
Accrued Compensated Leave (Note 10)	59,638	54,577
Line of Credit (Note 8)	-	-
Loan Payable (Note 9)	424,200	-
Commitments and Contingencies (Note 6)	-	-
	<u>664,676</u>	<u>360,140</u>
Total Liabilities	<u>664,676</u>	<u>360,140</u>
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	47,293	158,381
Board Designated for Building Purchase	50,000	50,000
	<u>97,293</u>	<u>208,381</u>
Net Assets With Donor Restrictions (Note 11)	<u>35,218</u>	<u>75,864</u>
	<u>132,511</u>	<u>284,245</u>
Total Net Assets	<u>132,511</u>	<u>284,245</u>
Total Liabilities and Net Assets	<u>\$ 797,187</u>	<u>\$ 644,385</u>

See independent auditor's report and notes to the financial statements.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Years Ended June 30, 2020 and 2019**

	<u>Year Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<i><u>Revenue, Support, and Gains:</u></i>		
Grant Revenue	\$ 845,176	\$ 694,965
Interpreting Services	972,294	977,544
Career Path	453,745	580,419
Adult Autism Waiver Program	164,135	185,258
School-based Services	122,119	103,685
Office of Long-term Living Waiver Program	166,647	244,347
Other Programs	346,403	537,654
Contributions	79,584	74,684
Gross Special Events Revenue	14,146	44,804
Less: Direct Costs Associated with Special Events	(247)	(21,344)
Miscellaneous	19,079	24,905
Unrealized Loss on Investments	-	(45)
Realized Loss on Investments	-	(638)
Interest and Dividends	52	124
Net Assets Released from Donor Restrictions	<u>50,646</u>	<u>24,136</u>
 Total Revenue, Support, and Gains	 <u>3,233,779</u>	 <u>3,470,498</u>
<i><u>Expenses:</u></i>		
Program Services	2,767,328	2,942,502
Management and General	521,202	492,287
Fundraising	<u>56,337</u>	<u>52,276</u>
 Total Expenses	 <u>3,344,867</u>	 <u>3,487,065</u>
 Decrease in Net Assets Without Donor Restrictions	 <u>(111,088)</u>	 <u>(16,567)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grant Revenue	10,000	100,000
Net Assets Released from Donor Restrictions	<u>(50,646)</u>	<u>(24,136)</u>
 Increase (Decrease) in Net Assets With Donor Restrictions	 <u>(40,646)</u>	 <u>75,864</u>
 Increase (Decrease) in Net Assets	 (151,734)	 59,297
 Net Assets at Beginning of Year	 <u>284,245</u>	 <u>224,948</u>
 Net Assets at End of Year	 <u><u>\$ 132,511</u></u>	 <u><u>\$ 284,245</u></u>

See independent auditor's report and notes to the financial statements.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2020 and 2019**

	<u>Year Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities:</u>		
Increase (Decrease) in Net Assets	\$ (151,734)	\$ 59,297
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	7,428	7,369
Net Realized and Unrealized Loss on Investments	-	683
Donated Stock	-	(10,031)
(Increase) Decrease in:		
Grants Receivable	(66,575)	(43,057)
Accounts Receivable	156,894	100,255
Prepaid Expenses	(1,372)	813
Increase (Decrease) in:		
Accounts Payable	(15,445)	(1,240)
Accrued Salaries and Wages	(1,798)	(1,007)
Accrued Compensated Leave	5,061	1,761
Deferred Revenue	(107,482)	161,350
Custodial Accounts	-	(28,652)
Net Cash Provided (Used) by Operating Activities	<u>(175,023)</u>	<u>247,541</u>
<u>Cash Flows from Investing Activities:</u>		
Purchases of Leasehold Improvements and Equipment	-	(3,200)
Proceeds from Sale of Investments	-	14,595
Net Cash Provided by Investing Activities	<u>-</u>	<u>11,395</u>
<u>Cash Flows from Financing Activities:</u>		
Proceeds from Line of Credit	190,000	15,000
Payments on Line of Credit	(190,000)	(210,000)
Proceeds from Loan	424,200	-
Net Cash Provided (Used) by Financing Activities	<u>424,200</u>	<u>(195,000)</u>
Increase in Cash and Cash Equivalents	249,177	63,936
Cash and Cash Equivalents at Beginning of Year	165,316	101,380
Cash and Cash Equivalents at End of Year	<u>\$ 414,493</u>	<u>\$ 165,316</u>
<u>Supplemental Data:</u>		
Interest Paid	<u>\$ 3,400</u>	<u>\$ 10,798</u>
<u>Non-Cash Financing Activities:</u>		
Donated Stock	<u>\$ -</u>	<u>\$ 10,031</u>

See independent auditor's report and notes to the financial statements.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020**  
**With Comparative Totals for Year Ended June 30, 2019**

	2020				2019
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries and Wages	\$ 1,221,238	\$ 382,151	\$ 40,029	\$ 1,643,418	\$ 1,753,942
Payroll Taxes	125,100	20,850	2,979	148,929	152,871
Employee Benefits	169,987	28,331	4,047	202,365	265,180
Total Salaries and Benefits	1,516,325	431,332	47,055	1,994,712	2,171,993
Advertising and Publicity	19,403	-	-	19,403	3,433
Bank Charges	-	15,473	-	15,473	13,767
Communications	10,045	1,674	239	11,958	12,105
Dues, Memberships, Subscriptions	7,670	1,279	182	9,131	7,269
Equipment	14,273	2,379	339	16,991	20,370
General Supplies	19,534	2,920	375	22,829	17,846
Housing Assistance	-	-	-	-	2,657
Insurance	12,692	2,116	302	15,110	13,767
Interpreter Services	613,924	-	-	613,924	610,329
Occupancy	200,680	33,447	4,778	238,905	241,551
Postage and Delivery	4,606	768	110	5,484	4,923
Printing and Copying	13,280	2,214	316	15,810	11,286
Professional Fees	242,256	12,570	937	255,763	205,165
Program Supplies	28,306	4,253	607	33,166	16,694
Seminars and Training	849	141	20	1,010	18,765
Travel and Meals	35,376	5,512	831	41,719	65,299
Utilities	10,341	1,724	246	12,311	12,804
Consumer Stipends	10,340	-	-	10,340	18,875
Direct Costs Associated with Special Events	-	-	247	247	21,344
Interest	-	3,400	-	3,400	10,798
Depreciation	7,428	-	-	7,428	7,369
Total Expenses	2,767,328	521,202	56,584	3,345,114	3,508,409
Less Expenses Included with Revenues, Support, and Gains on the Statement of Activities and Changes in Net Assets					
Direct Costs Associated with Special Events	-	-	(247)	(247)	(21,344)
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	\$ 2,767,328	\$ 521,202	\$ 56,337	\$ 3,344,867	\$ 3,487,065

See independent auditor's report and notes to the financial statements.



**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2019**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,383,648	\$ 336,017	\$ 34,277	\$ 1,753,942
Payroll Taxes	128,412	21,402	3,057	152,871
Employee Benefits	227,133	37,856	5,408	265,180
Total Salaries and Benefits	<u>1,739,193</u>	<u>395,275</u>	<u>42,742</u>	<u>2,171,993</u>
Advertising and Publicity	3,433	-	-	3,433
Bank Charges	-	13,767	-	13,767
Communications	10,168	1,695	242	12,105
Dues, Memberships, Subscriptions	6,126	1,000	143	7,269
Equipment	17,111	2,852	407	20,370
General Supplies	14,992	2,556	298	17,846
Housing Assistance	2,657	-	-	2,657
Insurance	7,182	1,197	171	13,767
Interpreter Services	610,329	-	-	610,329
Occupancy	202,550	34,178	4,823	241,551
Postage and Delivery	4,136	689	98	4,923
Printing and Copying	9,480	1,580	226	11,286
Professional Fees	192,348	11,907	910	205,165
Program Supplies	14,452	1,962	280	16,694
Seminars and Training	15,763	2,627	375	18,765
Travel and Meals	55,583	8,411	1,305	65,299
Utilities	10,755	1,793	256	12,804
Consumer Stipends	18,875	-	-	18,875
Direct Costs Associated with Special Events	-	-	21,344	21,344
Interest	-	10,798	-	10,798
Depreciation	7,369	-	-	7,369
Total Expenses	<u>2,942,502</u>	<u>492,287</u>	<u>73,620</u>	<u>3,508,409</u>
Less Expenses Included with Revenues, Support, and Gains on the Statement of Activities and Changes in Net Assets				
Direct Costs Associated with Special Events	<u>-</u>	<u>-</u>	<u>(21,344)</u>	<u>(21,344)</u>
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	<u>\$ 2,942,502</u>	<u>\$ 492,287</u>	<u>\$ 52,276</u>	<u>\$ 3,487,065</u>

See independent auditor's report and notes to the financial statements.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**1. Organization and Nature of Activities**

Lehigh Valley Center for Independent Living, Inc. ("LVCIL") was incorporated on June 11, 1990, under the laws of the Commonwealth of Pennsylvania and operates as a not-for-profit corporation. LVCIL is a non-residential, voluntary disability services organization formed for the purpose of assisting persons with disabilities in Lehigh and Northampton Counties, in Northeastern Pennsylvania, to live independently by providing an array of services targeted to help individuals achieve independent living goals, and to help the community embrace all of its residents regardless of disability. LVCIL is one of seventeen Centers for Independent Living in the state of Pennsylvania. LVCIL is governed, managed, and staffed at all times by a majority of persons with disabilities; a concept known as consumer control.

LVCIL is funded primarily through grants, donor contributions, and funds from its fee for service programs.

LVCIL provides a range of services for persons with all types of disabilities, including but not limited to, advocacy, skills for independent living, information and referral, peer support, housing search and placement, youth transition services, supported employment services, sign language interpreter referral services and community outreach. LVCIL uses the Americans with Disabilities Act ("ADA") as its backbone to offer individual and collective advocacy on issues that impact a person's right to live independently, as well as provides and ADA consulting and site survey service called AccessCheck. LVCIL also consults with similar organizations on developing programming for youth. Assistive technology needs of consumers are also addressed through several initiatives.

LVCIL's independent living skills education assists individuals with disabilities who are going to be on their own for the first time, as well as, individuals who need extra support as their disabilities change. Independent living skills enable individuals to obtain the skills necessary to stay independent and be on their own. LVCIL's independent living skills training includes but is not limited to assistance with personal finance, care of the home, cooking, and shopping, and is provided on an individual or group basis.

Peer Support is a non-therapeutic helping relationship between LVCIL staff and consumers in which issues relating to life with disability are discussed as well as providing independent living skills training. Consumer-to-consumer peer relationships are facilitated through agency events which include community-based similar age peer social group activities. Information and Referral, a staple in most disability services agencies, is provided to consumers, professionals and the community-at-large. It involves providing resources and ideas on topics related to specific disability needs and might range from questions on purchasing a wheelchair modified van to an explanation of rights under the ADA.

LVCIL is also charged as a Center for Independent Living to work in the community to increase inclusion for all of its residents with disabilities. LVCIL achieves this through staff, board and volunteer participation in nearly fifty local, regional and statewide organizations. LVCIL brings the interests of persons with disabilities to the table and promotes full inclusion in all areas of life.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**1. Organization and Nature of Activities (Continued)**

The Community Outreach work of LVCIL had a large influx of activities in the year, thanks to the second year award of the Statewide Coalition Group grant to LVCIL. The project unites systems advocacy efforts, outreach and education at all 17 Centers for Independent Living in Pennsylvania. The topics of focus have been Advocacy 101, Emergency Preparedness and Voting Rights. LVCIL coordinates the project and facilitates the other centers for independent living in receiving a modest quarterly allocation to support the work.

LVCIL has a twenty-five year history of providing housing search and retention services to persons with disabilities. Housing services are provided through local city and county Community Development Block Grant ("CDBG") program funds. Consumers in the CDBG programs typically live on extremely low income and need assistance to address imminent loss of housing and to understand their rights under the Fair Housing Act.

Staff members also provide landlord-tenant mediation and seek to develop landlord relationships to benefit consumers. Education is also provided to private landlords to encourage them to understand the benefits of renting to persons with disabilities. Community grants allow LVCIL to provide additional housing services to area residents.

LVCIL is a leader in transition services for young adults with disabilities. One program is the S2L Group which offers young adults in high school and early adulthood the opportunity to engage in social, leadership, volunteer and other community activities. The S2L Group meets at least twice a month for a wide variety of events, and members are offered the chance to attend other optional community events as well. The S2L Group has garnered the interest of local, state and national groups and has connections to many relevant groups, including the PA Youth Leadership Network. To join the group young adults, complete an application process and commit to a personal goal to live independently with or without support in the community someday. The S2L Group is a fee-for-service program, which can be paid through several means including private pay, county funding, group fundraising or a combination of means. Fundraising opportunities assist participants in defraying program costs.

The year saw a resurgence in the Lehigh Valley Adaptations Group again in the year. This group is a very active social group for youngish adults with any type of disability and meets at least once a week. Together participants plan activities which focus on independent living skills, developing and maintaining friendships, socialization and community integration. LVCIL also offers two CommUnity Clubs which meet on a monthly basis for community or social events to help consumers build peer relationships.

Real World Lehigh Valley is another fee-for-service transition service. It is a six-week intensive summer program which focuses on vocational skills, communication, leadership and other attributes needed in the workplace. The Real World Lehigh Valley has since 2017 been involved in a partnership with Dorney Park and now hosts the program on the campus of Dorney Park. The integration into a workplace staffed largely by young adults has proven a fertile ground for learning social and work-specific skills. The inclusionary experience is a hallmark of LVCIL partnerships at their best.

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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**1. Organization and Nature of Activities (Continued)**

LVCIL provides several Transition and Employment (T&E) services. Career Path, one of the T&E services, offers employment services for adults, with a primary focus on adults ages 18-25. These services encompass an eight-week Work-Essential Skills Training class followed by traditional community-based work assessments, job development and job coaching. Services are delivered based on a strength driven Person-Centered Plan process, which each participant experiences along with his/her support network. Many participants have recently completed high school and are seeking their first significant employment experience. The program was started with an Innovation and Expansion Grant through the PA Office of Vocational Rehabilitation ("OVR"), and in late 2011 achieved sustainability and moved into a fee-for service program. The primary purchaser of the services is the PA OVR office, but the services have also been provided through the Office of Developmental Programs and under private pay agreements. The program now serves about 150 participants at any given time.

Other T&E services also serves youth with disabilities who are still attending school, due in large part to the Workforce Innovation and Opportunity Act (WIOA). These services aim to afford youth work experiences prior to completion of high school and are funded by the PA Office of Vocational Rehabilitation through a fee-for-service agreement. They include work-based learning experiences, job shadowing, paid work experiences and travel training. Group learning experiences are offered in schools on a broad curriculum of prevocational and transition services.

Based on LVCIL's success with transition and youth employment services, LVCIL had the opportunity to develop LIFE School-based services. In the LIFE program, staff works with young adults in high school to help achieve individualized needs such as cooking, laundry, community travel, and hygiene skills. These services are also driven by a Person-Centered Plan and are typically paid by school districts on a fee-for-service basis.

In addition, LVCIL has partnered with OVR and a local Intermediate Unit (IU21) to provide the Vocational Independence Program (VIP), another unique T&E program. This program is designed to support students in their last or second-to-last year of high school. Students attend the program daily throughout the academic year, spending half their days completing work experiences onsite at a host employer (such as Cedarbrook Nursing Home) and the other half of the day participating in training seminars (work-essential skills training, travel training, etc.) at the host site or in the community. LVCIL provides one full-time and one part-time staff for the program, and the IU provides 2 full-time staff. LVCIL's staff are funded by OVR, while the IU staff are funded by each student's school district.

Another T&E program involves a partnership with Lehigh Carbon Community College (LCCC), and is called the SEED program. This program involves two part-time LVCIL staff supporting students on campus at the college. LVCIL staff provided assistance with Independent Living skills related to college life (e.g. transportation, time management, advocacy, etc.), assist with coordinating work experiences, and provide general case management. LVCIL contracts directly with LCCC, who garners funding for the program through private pay, and various grants.

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**June 30, 2020 and 2019**

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**1. Organization and Nature of Activities (Continued)**

LVCIL's Sign Language Interpreter Referral Service ("SLIRS") provides the deaf community with easy access to the highest quality interpreting services. After the execution of the ADA, federal and state laws pertaining to individuals with disabilities led to an increased awareness for organizations throughout the nation to achieve full compliance with the ADA. As a result, the need for reliable sign language interpreting services has escalated dramatically. Due to the collaborative efforts of the Northeast PA Office of Deaf and Hard of Hearing, Allentown's District Office of PA OVR, local sign language interpreters and the deaf community, LVCIL's SLIRS was conceived, and since 2004 has operated on a 24/7 basis. LVCIL coordinates thousands of appointments annually between individuals who are deaf or hard of hearing and local doctors, hospitals, lawyers, schools, courts, state and local government offices, and other businesses. Program staff also offer occasional programming for the deaf and hard of hearing including ASL Club and ASL classes.

LVCIL serves as a supports coordination agency in Pennsylvania's Adult Autism Waiver ("AAW") Program, and also the Office of Long Term Living ("OLTL") Waivers. The AAW Program is administered through the Pennsylvania Bureau of Autism Services and is designed to specifically help adults with autism spectrum disorders, based on their identified needs, to participate in their communities in the way that they want to. As support coordinators, LVCIL staff members oversee, monitor and facilitate selection of AAW service providers for program participants, and have a key role in assuring participant satisfaction and assessing appropriateness of provider program services.

The Pennsylvania OLTL administers the OLTL waivers. LVCIL currently serves consumer in the Attendant Care, Act 150 and Independence waivers. These waivers exist primarily to allow persons with physical disabilities to have the home and community based services required to live independently in the community. Attendant Care service is the most common reason for an OLTL waiver. LVCIL's supports coordinators provide monitoring of services, problem resolution, and annual or as needed assessments to assure continuity of service. With the advent of Managed Care Organizations taking control of most of the OLTL Waivers, LVCIL had an expected and unavoidable reduction in OLTL consumers.

LVCIL has developed AccessCheck which provides fee-for-service consulting, education and site surveys. A related program through Temple's Tech Owl initiative allows LVCIL to operate an assistive technology program, with a focus of getting loaned or reused equipment to consumers in a seven-county region. Additionally, LVCIL serves as a Funding Assistance Center for the PA Assistive Technology Foundation and refers consumers to the foundation for loan opportunities.

Because of the depth of Transition & Employment Services LVCIL has developed for youth, the agency is being called upon by state and national groups, as well as individual agencies, to provide consultation and training.

Lastly, LVCIL has continued to increase its virtual presence. The LVCIL website, [www.lvcil.org](http://www.lvcil.org), receives ongoing updates to complement its thriving programming. LVCIL is also active on social media as a resource for disseminating information.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**2. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Organization are set forth below.

*Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Net Assets*

A description of the two net asset categories follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

**Net Assets With Donor Restrictions**

Net assets subject to donor or certain 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. 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.

*Concentration of Credit Risk*

The Organization maintains cash balances which may, at times, exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures bank balances up to \$250,000 per customer. The Organization's uninsured cash balances totaled \$123,859 at June 30, 2020. The Organization historically has not experienced any credit related losses.

*Income Taxes*

Lehigh Valley Center for Independent Living, Inc. is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**2. Summary of Significant Accounting Policies (Continued)**

*Income Taxes (Continued)*

Under that guidance, the Organization may recognize the tax benefits 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 financial statements from such a 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 liabilities recorded for the years ended June 30, 2020 and 2019.

The Organization files Federal Form 990, *Return of Organization Exempt from Tax*, with the United States Internal Revenue Service and Form BCO-10 with the Bureau of Charitable Organizations in Pennsylvania.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Revenue from Contracts with Customers*

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 reported as decreases in net assets without donor restrictions. Gains or losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless otherwise restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets are reported as net assets released from restrictions. The Organization's revenue from contracts with customers in the scope of ASC 606 is recognized within Interpreting Services and Special Events Revenue. The Organization's revenue streams are accounted for in the following segments:

- **Interpreting Service Revenue:** The Organization earns revenue from providing interpreting services to entities when the need arises. The Organization's policy is to recognize revenue from providing interpreting services at the time the service is performed.
- **Special Events:** The Organization holds fundraising events to raise operating funds. Admission to the fundraising events sometimes requires attendees to purchase a ticket. Each ticket contains the characteristics of a contribution and an exchange transaction. The Organization recognizes the contribution when the ticket is purchased; revenue is recognized from the exchange transaction when the event takes place.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
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**2. Summary of Significant Accounting Policies (Continued)**

*Contributions*

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without restriction if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions that are required to be reported as net assets with donor restriction support are then reclassified to net assets without donor restriction upon expiration of time restriction or satisfaction of donor restrictions. The Organization does not have any contracts or grants with conditional contributions.

*Donated Services*

Contributed services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A significant amount of time has been donated by volunteers and board members of the Organization, however, such services are typically not recorded.

*Allocation of Expenses by Function*

Expenses of the Organization have been allocated to the following functional reporting classifications:

**Program Services**

Program services expenses include costs incurred for activities that ultimately result in the delivery of services that fulfill the Organization's charitable purposes.

**Management and General**

Management and general expenses include costs incurred for the overall direction of the Organization, general record keeping, business management, budgeting, general board activities, and related purposes.

**Fundraising**

Fundraising expenses include costs incurred for activities that ultimately result in inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor mailing lists, conducting special fundraising events; and conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others.



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**2. Summary of Significant Accounting Policies (Continued)**

*Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

*Accounts and Grants Receivable*

Accounts and grants receivable represent amounts due to the Organization for services provided by LVCIL. Management evaluates accounts for collectability, and writes off items deemed uncollectable. Management periodically reviews accounts and grants receivable for collectability based upon the recent payment history. Management determined that, based on payment history, no allowance was necessary at June 30, 2020 and 2019.

*Investments*

Investments are carried at fair market value. The realized and unrealized gain or loss on investments is reflected in the statements of activities and changes in net assets.

*Leasehold Improvements and Equipment*

Leasehold improvements and equipment is stated at cost less accumulated depreciation. Depreciation on leasehold improvements is computed on the straight-line method of the lesser of the length of the related lease or estimated useful lives of the assets. Depreciation on equipment is computed by use of the straight-line method based on estimated useful lives. Additions and betterments of \$2,500 or more are capitalized while maintenance and repairs that do not improve or extend the original useful lives of the respective assets are expensed as incurred.

	<u>Years</u>
Leasehold Improvements	20
Furniture, Fixtures and Equipment	5 - 7

*Custodial Accounts*

At times, the Organization has held funds for several small organizations and grant programs. As a service to these small unrelated groups, the Organization deposits and releases funds as needed. The funds held do not belong to the Organization and are therefore reported as a liability of the Organization.

*Accounting for Paycheck Protection Program (PPP)*

The Organization may account for a Paycheck Protection Program (PPP) loan as a financial liability in accordance with FASB ASC Topic 470, *Debt*, or under other models, if certain conditions are met. If the Organization expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, the Organization may account for the PPP loan in accordance with ASC Subtopic 958-605 as a conditional contribution.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**2. Summary of Significant Accounting Policies (Continued)**

*Accounting for Paycheck Protection Program (PPP) (Continued)*

As of June 30, 2020, management has not evaluated whether the Organization will meet the eligibility criteria for full forgiveness of the Loan. For this reason, the Organization has elected the debt method. Under this method, the Organization recorded a debt liability on the Statements of Financial Position and will subsequently recognize revenue from the extinguishment of debt once forgiveness has been determined by the Small Business Administration. On April 23, 2020, the Organization received \$424,200 under the Paycheck Protection Program.

*Advertising and Publicity*

Advertising and publicity costs are expensed as incurred by the Organization, and were \$19,403 and \$3,433 for the years ended June 30, 2020 and 2019, respectively.

*Concentration of Revenue*

The Organization receives a majority of its funding from state and local government programs. The funding sources make annual appropriations and there is no guarantee that the current level of funding will be realized in the future. LVCIL is currently seeking other sources of funding to secure revenues along with funding from state and local government programs.

Approximately 48% and 52% of LVCIL's total revenues were provided by two agencies, Pennsylvania Department of Labor and Industry Office of Vocational Rehabilitation and the Office of Developmental Programs, during the years ended June 30, 2020 and 2019, respectively. Receivables from these funding sources were approximately 53% and 65% of total grants and accounts receivable for the years ended June 30, 2020 and 2019, respectively.

*Adoption of New Accounting Standards*

The Financial Accounting Standards Board (FASB) issued two Accounting Standard Updates that affect the Organization's revenue recognition, as noted below. The Updates became effective for fiscal years beginning after December 15, 2018. However, with the ongoing COVID-19 global pandemic, FASB deferred the effective date of ASU No. 2014-09 (Topic 606) to fiscal years beginning after December 15, 2019. The Organization has elected to implement each Update during the fiscal year ended June 30, 2020 and both Updates were retrospectively applied to the fiscal year ended June 30, 2019.

The Organization has adopted the provisions of ASU 2014-09 Not-for-Profit Entities (Topic 606): *Revenue from Contracts with Customers* and all subsequent amendments to the ASU, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This Update requires entities to make new judgements and estimates and provide expanded disclosures about revenue.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
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**2. Summary of Significant Accounting Policies (Continued)**

*Adoption of New Accounting Standards (Continued)*

The Organization has also adopted the provisions of ASU 2018-08 Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions.

The Organization's revenues from government grants and contracts, contributions, and investment income are outside the scope of ASC 606. The Organization has determined that the implementation of the Updates did not significantly impact the financial statements and therefore, there were no required prior period adjustments. Refer to *Revenue from Contracts with Customers* within the *Summary of Significant Accounting Policies* (Note 2), for further discussion of the Organization's accounting policies for revenue sources within the scope of ASC 606.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, consist of the following:

	June 30,	
	2020	2019
Cash and Cash Equivalents	\$ 414,493	\$ 165,316
Grants Receivable	179,998	113,423
Accounts Receivable	157,680	314,574
Net Assets With Board Designations	(50,000)	(50,000)
Net Assets With Donor Restrictions	(35,218)	(75,864)
	<u>\$ 666,953</u>	<u>\$ 467,449</u>

The Organization is supported mainly by grant revenue, fee-for-service revenue, and contributions. The Organization believes that grant revenue, fee-for-service revenue, and contributions along with the assets held at June 30, 2020, is sufficient to enable the Organization to continue to operate for the upcoming year. Additionally, by approval of the Board of Directors, net assets with designations could be made available if necessary. The Organization also has a \$250,000 line of credit available to provide working capital, if needed.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**4. Leasehold Improvements and Equipment**

Leasehold improvements and equipment consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Leasehold Improvements	\$ 42,004	\$ 42,004
Furniture, Fixtures and Equipment	<u>57,071</u>	<u>57,071</u>
	99,075	99,075
 Less: Accumulated Depreciation	 <u>(62,486)</u>	 <u>(55,058)</u>
	 <u><u>\$ 36,589</u></u>	 <u><u>\$ 44,017</u></u>

Depreciation charged to expense was \$7,428 and \$7,369 for the years ending June 30, 2020 and 2019, respectively.

**5. Investments**

The Organization liquidated all investments held during the year ended June 30, 2019. The following table summarizes the earnings on investments for the years ended June 30, 2020 and 2019 are as follows:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Dividend Income	\$ -	\$ 122
Realized Loss	-	(638)
Unrealized Gain (Loss)	<u>-</u>	<u>(45)</u>
	<u><u>\$ -</u></u>	<u><u>\$ (561)</u></u>

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**6. Commitments and Contingencies**

*Operating Lease Obligations*

The Organization leases office and facility space at 713 N 13<sup>th</sup> Street, Allentown, PA under a two-year lease agreement expiring June, 2021.

The Organization leases office equipment under a five-year lease agreement expiring July, 2019. This lease was renewed in August, 2019 and expires in July, 2024.

Rental expense, including common area maintenance charges, under lease agreements was \$240,742 and \$243,806 for the years ending June 30, 2020 and 2019, respectively.

Future minimum lease payments under these agreements are as follows:

Year Ending June 30,

2021	\$	241,532
2022		8,112
2023		8,112
2024		8,112
2025		676

*Unemployment Compensation*

The Organization has elected not to be covered by Pennsylvania Unemployment Compensation and is required to pay claims as incurred. Unemployment compensation expense was \$25,248 and \$23,268 during the fiscal years ended June 30, 2020 and 2019, respectively.

**7. Retirement Plan**

The Organization offers a SEP IRA retirement plan. The Plan covers qualified employees, defined as regular full-time or part-time employees who work at least fifteen hours per week and have completed one year or more of service prior to May 31<sup>st</sup> of a given fiscal year. The amount of contributions by the Organization is determined by management and the Board of Directions based on the availability of funds. There were no employer contributions made during the years ended June 30, 2020 and 2019.

**8. Line of Credit**

The Organization has a line of credit agreement with BB&T Bank for \$250,000. The line of credit agreement bears a variable interest rate, expiring September, 2021. The interest rate at June 30, 2020 is 3.89%. The outstanding balance was \$-0- at June 30, 2020 and 2019. Interest expense was \$3,400 and \$10,798 during the years ended June 30, 2020 and 2019, respectively.

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**9. Loans Payable**

Loans payable consist of the following:

	June 30,	
	2020	2019
1.00% Note Payable to a Bank Through the Paycheck Protection Program Backed by the United States Small Business Administration. The Note is Forgivable Under Certain Circumstances; Repayment Terms of the Note, If Not Forgiven, Would be Eighteen (18) Monthly Payments of \$23,873, Including Interest From November 2020 Through April 2022.	\$ 424,200	\$ -
	<u>\$ 424,200</u>	<u>\$ -</u>

Long-term debt maturities are as follows:

Years ending June 30,	
2021	\$ 186,564
2022	<u>237,636</u>
	<u>\$ 424,200</u>

Interest expense paid on the loan was \$-0- for the years ended June 30, 2020 and 2019.

**10. Compensated Absences**

A liability is accrued where future vacation benefits are attributable to employee services already rendered. The obligation relates to rights that are accumulated or vested payment of compensation is probable and can be reasonably estimated. At June 30, 2020 and 2019, this liability amounted to \$59,638 and \$54,577, respectively.

**11. Net Assets With Donor Restrictions**

Net assets with donor restrictions which are temporary in nature consist of the following as of June 30:

	2020	2019
Adaptations Program	\$ 35,218	\$ 75,864
	<u>\$ 35,218</u>	<u>\$ 75,864</u>

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020 and 2019**

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**11. Net Assets With Donor Restrictions (Continued)**

The source of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donor were as follows:

	Year Ended June 30,	
	2020	2019
Adaptations Program	\$ 50,646	\$ 24,136
	<u>\$ 50,646</u>	<u>\$ 24,136</u>

**12. Subsequent Events**

Management is required to consider and investigate the existence of transactions or events that would qualify as subsequent events in relation to their internal and external financial statements. In 2019, a novel strain of coronavirus surfaced in China and has spread around the world, resulting in ongoing business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Organization could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain or treat its impact, among others.

Subsequent events have been evaluated through December 2, 2020, the date on which the financial statements were available to be issued.

## SUPPLEMENTARY INFORMATION



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Lehigh Valley Center for Independent Living, Inc.  
Allentown, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and Lehigh Valley Center for Independent Living, Inc. solely to assist you with respect to the financial schedules and exhibits required by the DHS Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### For Supplemental Schedules:

#### Reconciliation of Federal Awards

- (a) We agreed the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) We agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column D to the sub recipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) We recalculated the amounts listed under the "Difference" column E and the "% Difference" column F.
- (d) We agreed the amounts listed under the "Difference" column E to the audited books and records of the entity.
- (e) We agreed the "Detailed Explanation of the Differences" to the audited books and records of the entity.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, there were no adjustments and/or findings which have not been reflected on the corresponding schedules.

We were not engaged to, and did not; perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Department of Human Services and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Congbell, Rappold & Yucasita LLP*

December 2, 2020

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**RECONCILIATION OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

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RECONCILIATION

Federal Awards Passed Through the Pennsylvania Department of Human Services  
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u> <u>per the SEFA</u>	<u>Federal Awards</u> <u>Received per the</u> <u>audit confirmation</u> <u>reply from</u> <u>Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (C-D)</u>	<u>Detailed Explanation</u> <u>of the Differences</u>
Medicaid: Title XIX	93.778	\$ 253,084	\$ 253,084	\$ -	0%	N/A

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Expenditures to Sub-Recipients
<b>CDBG - Entitlement Grants Cluster:</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Passed Through the City of Allentown: Community Development Block Grants	14.218	N/A	\$ 10,213	\$ -
Passed Through the City of Bethlehem: Community Development Block Grants	14.218	N/A	4,721	-
Passed Through the County of Lehigh: Community Development Block Grants	14.218	N/A	13,913	-
Passed Through the County of Northampton: Community Development Block Grants	14.218	N/A	23,022	-
Total CDBG - Entitlement Grants Cluster			51,869	-
<b>Medicaid Cluster</b>				
<b>U.S. Department of Health and Human Services</b>				
Passed Through the Pennsylvania Department of Human Services: Medical Assistance Program	93.778	101266074	253,084	-
Total Medicaid Cluster			253,084	-
<b>Special Education Cluster (IDEA)</b>				
<b>U.S. Department of Education</b>				
Passed Through Catasauqua Area School District: Special Education Grants to States	84.027	N/A	6,280	-
Total Special Education Cluster (IDEA)			6,280	-
<b>U.S. Department of Education</b>				
Passed Through the Pennsylvania Department of Labor and Industry: Rehabilitation Services: Vocational Rehabilitation Grants to States	84.126	130661	470,329	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	130661	4,238	-
Total U.S. Department of Education			474,567	-
<b>U.S. Department of Health and Human Services</b>				
Passed Through the Pennsylvania Department of Labor and Industry: ACL Independent Living State Grants	93.369	4100081441	304,786	189,000
Passed Through the Temple University: ACL Assistive Technology	93.464	N/A	33,375	-
Passed Through the Pennsylvania Development Disabilities Council: Developmental Disabilities Basic Support and Advocacy Grants: Fitness and Health	93.630	4100077228	49,558	-
Passed Through ILRU Research Center: ACL Centers for Independent Living	93.432	90ILTA0001	7,615	-
Total U.S. Department of Health and Human Services			395,334	189,000
Total Expenditures of Federal Awards			\$ 1,181,134	\$ 189,000

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Lehigh Valley Center for Independent Living, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lehigh Valley Center for Independent Living, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lehigh Valley Center for Independent Living, Inc.

**2. Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized using the principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Lehigh Valley Center for Independent Living, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Lehigh Valley Center for Independent Living, Inc.  
Allentown, PA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lehigh Valley Center for Independent Living, Inc. (a Not-for-Profit Corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lehigh Valley Center for Independent Living, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lehigh Valley Center for Independent Living, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lehigh Valley Center for Independent Living, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lehigh Valley Center for Independent Living, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Campbell, Rappold & Yucasita LLP*

December 2, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Lehigh Valley Center for Independent Living, Inc.  
Allentown, PA

**Report on Compliance for Each Major Federal Program**

We have audited Lehigh Valley Center for Independent Living, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lehigh Valley Center for Independent Living, Inc.'s major federal programs for the year ended June 30, 2020. Lehigh Valley Center for Independent Living, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lehigh Valley Center for Independent Living, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lehigh Valley Center for Independent Living, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lehigh Valley Center for Independent Living, Inc.'s compliance.



## ***Opinion on Each Major Federal Program***

In our opinion, Lehigh Valley Center for Independent Living, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of Lehigh Valley Center for Independent Living, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lehigh Valley Center for Independent Living, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lehigh Valley Center for Independent Living, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Campbell, Rappold & Yucasita LLP*

December 2, 2020

**LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.**  
**(A Not-for-Profit Corporation)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

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Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.126	Rehabilitation Services: Vocational Rehabilitation Grants to States
93.778	Medical Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.