

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

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

June 30, 2023 and 2022

DRAFT

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

	Page(s)
Independent Auditor's Report	1 - 3
<i>Financial Statements:</i>	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Cash Flows	7
Statements of Functional Expenses	8 - 9
Notes to Financial Statements	10 - 24
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 <i>Government Auditing Standards</i>	25 - 26

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023 and 2022, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lehigh Valley Center for Independent Living, Inc. as of June 30, 2023 and 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lehigh Valley Center for Independent Living, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 12 to the financial statements, the Organization has suffered significant operating losses and has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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 Lehigh Valley Center for Independent Living, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit 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 and *Government 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 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 and *Government 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 Lehigh Valley Center for Independent Living, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lehigh Valley Center for Independent Living, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2024, 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 solely 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 the effectiveness of Lehigh Valley Center for Independent Living, Inc.'s 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.

_____, 2024

DRAFT

DRAFT

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	June 30,	
	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 92,698	\$ 83,579
Grants Receivable (Note 2)	188,108	135,732
Accounts Receivable (Note 2)	291,871	397,111
Accounts Receivable - Related Party (Note 11)	105,179	20,200
Prepaid Expenses	675	68,493
Right-of-Use Assets (Note 10)	287,614	-
Leasehold Improvements and Equipment, Net of Accumulated Depreciation (Note 4)	24,309	27,049
Security Deposit	4,628	4,628
Total Assets	\$ 995,082	\$ 736,792
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 139,615	\$ 67,382
Accrued Salaries and Wages	38,781	109,899
Deferred Revenue	84,230	58,787
Accrued Compensated Absences (Note 8)	63,218	53,708
Line of Credit (Note 7)	325,000	90,000
Operating Lease Liabilities (Note 10)	299,076	-
Commitments and Contingencies (Note 5)	-	-
Total Liabilities	949,920	379,776
Net Assets:		
Net Assets (Deficit) Without Donor Restrictions:		
Undesignated	(27,863)	281,698
Board Designated for Building Purchase	50,000	50,000
	22,137	331,698
Net Assets With Donor Restrictions (Note 9)	23,025	25,318
Total Net Assets	45,162	357,016
Total Liabilities and Net Assets	\$ 995,082	\$ 736,792

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, 2023 and 2022

	<u>Year Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
<i>Revenue, Support, and Gains:</i>		
Grant Revenue	\$ 616,920	\$ 770,471
Interpreting Services	781,037	899,048
Career Path	620,320	492,718
Adult Autism Waiver Program	254,293	253,662
School-based Services	121,864	233,683
Office of Long-term Living Waiver Program	79,771	81,104
Other Programs	814,062	478,372
Contributions	101,206	79,633
Gross Special Events Revenue	28,447	31,719
Less: Direct Costs Associated with Special Events	(3,545)	(7,816)
Miscellaneous	18,152	26,325
Interest	4	1
Gain on Loan Extinguishment	-	424,170
Net Assets Released from Donor Restrictions	24,594	16,770
	<u>3,457,125</u>	<u>3,779,860</u>
<i>Expenses:</i>		
Program Services	3,131,750	3,047,597
Management and General	555,365	500,435
Fundraising	61,365	52,666
	<u>3,748,480</u>	<u>3,600,698</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(291,355)</u>	<u>179,162</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant Revenue	22,301	2,275
Net Assets Released from Donor Restrictions	<u>(24,594)</u>	<u>(16,770)</u>
Decrease in Net Assets With Donor Restrictions	<u>(2,293)</u>	<u>(14,495)</u>
Increase (Decrease) in Net Assets	(293,648)	164,667
Cumulative Effect of Adopting ASU 2016-02 (Note 2)	(18,206)	-
Net Assets at Beginning of Year	<u>357,016</u>	<u>192,349</u>
Net Assets at End of Year	<u>\$ 45,162</u>	<u>\$ 357,016</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, 2023 and 2022

	<u>Year Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
<i><u>Cash Flows from Operating Activities:</u></i>		
Increase (Decrease) in Net Assets	\$ (293,648)	\$ 164,667
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	2,740	3,129
Lease Amortization	(6,744)	-
Gain on Loan Extinguishment	-	(424,170)
(Increase) Decrease in:		
Grants Receivable	(52,376)	55,301
Accounts Receivable	105,240	(79,731)
Accounts Receivable - Related Party	(84,979)	(20,200)
Prepaid Expenses	67,818	28,540
Increase (Decrease) in:		
Accounts Payable	72,233	7,530
Accrued Salaries and Wages	(71,118)	24,318
Accrued Compensated Leave	9,510	(1,538)
Deferred Revenue	25,443	(114,568)
Net Cash Used by Operating Activities	<u>(225,881)</u>	<u>(356,722)</u>
<i><u>Cash Flows from Financing Activities:</u></i>		
Proceeds from Line of Credit	<u>235,000</u>	<u>90,000</u>
Net Cash Provided by Financing Activities	<u>235,000</u>	<u>90,000</u>
Increase (Decrease) in Cash and Cash Equivalents	9,119	(266,722)
Cash and Cash Equivalents at Beginning of Year	<u>83,579</u>	<u>350,301</u>
Cash and Cash Equivalents at End of Year	<u>\$ 92,698</u>	<u>\$ 83,579</u>
<i><u>Supplemental Data:</u></i>		
Interest Paid	<u>\$ 19,983</u>	<u>\$ 1,210</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, 2023
With Comparative Totals for Year Ended June 30, 2022

	2023				2022
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries and Wages	\$ 1,538,720	\$ 374,916	\$ 39,056	\$ 1,952,692	\$ 1,789,617
Payroll Taxes	143,175	23,863	3,408	170,446	156,934
Employee Benefits	375,035	62,506	8,930	446,471	362,569
Total Salaries and Benefits	2,056,930	461,285	51,394	2,569,609	2,309,120
Advertising and Publicity	24,579	-	-	24,579	57,734
Bad Debt	14,053	-	-	14,053	-
Bank Charges	11,821	1,970	283	14,074	11,274
Communications	15,507	2,584	369	18,460	17,852
Dues, Memberships, Subscriptions	6,354	1,059	151	7,564	10,290
Equipment	21,957	3,658	524	26,139	26,445
General Supplies	9,969	2,128	237	12,334	12,815
Insurance	13,341	2,224	317	15,882	14,719
Interpreter Services	495,878	-	-	495,878	592,811
Occupancy	205,893	34,316	4,902	245,111	241,163
Postage and Delivery	3,414	569	81	4,064	6,030
Printing and Copying	3,060	510	73	3,643	3,004
Professional Fees	22,773	9,096	321	32,190	38,938
Program Supplies	74,012	9,365	-	83,377	94,176
Consumer Support	-	7,225	-	7,225	37,205
Seminars and Training	5,300	883	127	6,310	5,308
Technology	53,413	8,902	1,272	63,587	64,310
Travel and Meals	27,904	4,651	664	33,219	25,365
Utilities	8,065	1,972	197	10,234	12,121
Consumer Stipends	38,439	-	-	38,439	12,530
Miscellaneous	-	(214)	-	(214)	3,149
Direct Costs Associated with Special Events	-	-	3,545	3,545	7,816
Interest	16,786	2,798	399	19,983	1,210
Depreciation	2,302	384	54	2,740	3,129
Total Expenses	3,131,750	555,365	64,910	3,752,025	3,608,514
Less Expenses Included with Revenues, Support, and Gains on the Statement of Activities and Changes in Net Assets					
Direct Costs Associated with Special Events	-	-	(3,545)	(3,545)	(7,816)
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	\$ 3,131,750	\$ 555,365	\$ 61,365	\$ 3,748,480	\$ 3,600,698

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, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,414,912	\$ 343,449	\$ 31,256	\$ 1,789,617
Payroll Taxes	131,824	21,971	3,139	156,934
Employee Benefits	304,558	50,760	7,251	362,569
Total Salaries and Benefits	1,851,294	416,180	41,646	2,309,120
Advertising and Publicity	57,734	-	-	57,734
Bad Debt	-	-	-	-
Bank Charges	9,461	1,586	227	11,274
Communications	14,996	2,499	357	17,852
Dues, Memberships, Subscriptions	8,644	1,440	206	10,290
Equipment	22,214	3,702	529	26,445
General Supplies	10,765	1,794	256	12,815
Insurance	12,364	2,061	294	14,719
Interpreter Services	592,811	-	-	592,811
Occupancy	202,577	33,763	4,823	241,163
Postage and Delivery	5,065	844	121	6,030
Printing and Copying	2,523	421	60	3,004
Professional Fees	28,510	10,013	415	38,938
Program Supplies	82,646	10,089	1,441	94,176
Consumer Support	37,205	-	-	37,205
Seminars and Training	4,459	743	106	5,308
Technology	54,021	9,003	1,286	64,310
Travel and Meals	21,307	3,551	507	25,365
Utilities	10,182	1,697	242	12,121
Consumer Stipends	12,530	-	-	12,530
Miscellaneous	2,645	441	63	3,149
Direct Costs Associated with Special Events	-	-	7,816	7,816
Interest	1,016	170	24	1,210
Depreciation	2,628	438	63	3,129
Total Expenses	3,047,597	500,435	60,482	3,608,514
Less Expenses Included with Revenues, Support, and Gains on the Statement of Activities and Changes in Net Assets				
Direct Costs Associated with Special Events	-	-	(7,816)	(7,816)
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	\$ 3,047,597	\$ 500,435	\$ 52,666	\$ 3,600,698

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, 2023 and 2022

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 online and in-person 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, 2023 and 2022

1. Organization and Nature of Activities (Continued)

LVCIL has an over twenty-seven 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 is currently through occasional grants and its microbusiness; the TreaS2Love jars.

The year saw a renewed interest in the Lehigh Valley Adaptations Group. Over the year the group was able to move back to more in-person events, which are much more conducive to the social aspect of the group. Adaptations 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. Occasionally Adaptations and S2L have shared events. Costs for Adaptations have been met primarily through a private donor and most participants pay their own costs at community events.

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.

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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. Organization and Nature of Activities (Continued)

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 currently serves about 165 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 St. Lukes University Health Network sites) 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 program tuition and occasional grants.

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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

1. Organization and Nature of Activities (Continued)

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 support coordination agency in Pennsylvania's Adult Autism Waiver ("AAW") Program, and also several of 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 Act 150 and OBRA 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 support 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.

In January of 2022, LVCIL entered into an agreement with the Bucks County Center for Independent Living's Board of Directors to provide management consultation services. During the eighteen-month period LVCIL restarted the Bucks CIL's operations. New staff were hired and are working through LVCIL out of the existing Bucks office. Considerable time was invested in assessing all fiscal and programmatic operations and obligations. LVCIL started working with legal representation to examine possibilities for a formal affiliation.

Lastly, LVCIL has continued its virtual presence. The LVCIL website, www.lvcil.org, began a large scale overhaul in the prior fiscal year, with the new site was to be launched in the current fiscal year. 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, 2023 and 2022

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 Organization maintains cash accounts with two financial institutions. These cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. The Organization had cash balances totaling \$-0- in excess of federally insured limits at both June 30, 2023 and 2022. 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.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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, 2023 and 2022.

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, Program Service Contracts, 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.
- **Program Service Contracts:** Revenue from cost-reimbursement grants, performance grants, and program fees are recognized as revenue in the period in which the costs are incurred and the service is provided. Unearned program service revenue is reflected in deferred revenue at the end of the fiscal year.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Revenue from Contracts with Customers (Continued)

- **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.

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.

Contributed Nonfinancial Assets

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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Allocation of Expenses by Function (Continued)

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.

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, 2023 and 2022.

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

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

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. The Organization elected the debt method. Under this method, the Organization recorded a debt liability on the Statements of Financial Position and recognized revenue from the extinguishment of debt once forgiveness is determined by the Small Business Administration. Gain on loan extinguishment was \$-0- and \$424,170 for the years ended June 30, 2023 and 2022, respectively.

Advertising and Publicity

Advertising and publicity costs are expensed as incurred by the Organization, and were \$24,579 and \$57,734 for the years ended June 30, 2023 and 2022, 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 40% and 39% 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, 2023 and 2022, respectively. Receivables from these funding sources were approximately 43% and 46% of total grants and accounts receivable for the years ended June 30, 2023 and 2022, respectively.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standard

Effective July 1, 2022, the Organization adopted ASU 2016-02, *Leases* (Topic 842). Topic 842 was issued to increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the Statements of Financial Position and disclosing key information about leasing arrangements. Under the provisions of Topic 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, on the Statements of Financial Position. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the leasing activities.

The Organization elected the option to apply the transition requirements at the effective date of July 1, 2022, which allows the effects of initially applying Topic 842 to be recognized as a cumulative effect adjustment to retained earnings in the prior period adoption.

Consequently, the financial statements and disclosures required under Topic 842 have not been updated as of and for the year ended June 30, 2022. The Organization also elected the package of practical expedients, which permits the Organization to not reassess prior conclusions about lease identification, classification, and initial direct costs and to account for the lease and nonlease components of such as maintenance as a single lease component.

The most significant effects of the adoption of Topic 842 on the Organization's financial statements relate to the recognition of the right-to-use assets and operating lease obligations recorded on the Statements of Financial Position and providing new disclosures about leasing activities. Upon adoption, the Organization recognized operating lease obligations based on the present value of the remaining minimum rental payments as determined in accordance with Topic 842 for leases that had historically been accounted for as operating leases under Topic 840. The Organization recognized the corresponding right-of-use assets based on the operating lease obligations. The adjustment to beginning net assets as of July 1, 2022 was \$18,206.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation. Such reclassifications have no effect on report amounts of net assets or changes in net assets.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

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 Statements of Financial Position, consist of the following:

	June 30,	
	2023	2022
Cash and Cash Equivalents	\$ 92,698	\$ 83,579
Grants Receivable	188,108	135,732
Accounts Receivable	291,871	397,111
Accounts Receivable - Related Party	105,179	20,200
Net Assets With Board Designations	(50,000)	(50,000)
Net Assets With Donor Restrictions	(23,025)	(25,318)
	\$ 604,831	\$ 561,304

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, 2023, are 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 \$350,000 line of credit available to provide working capital, if needed.

4. Leasehold Improvements and Equipment

Leasehold improvements and equipment consist of the following at June 30, 2023 and 2022:

	June 30,	
	2023	2022
Leasehold Improvements	\$ 42,004	\$ 42,004
Furniture, Fixtures and Equipment	57,071	57,071
	99,075	99,075
Less: Accumulated Depreciation	(74,766)	(72,026)
	\$ 24,309	\$ 27,049

Depreciation charged to expense was \$2,740 and \$3,129 for the years ending June 30, 2023 and 2022, respectively.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

5. Commitments and Contingencies

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 \$21,147 and \$26,063 during the fiscal years ended June 30, 2023 and 2022, respectively.

6. Retirement Plan

The Organization has a 401(k) profit-sharing plan covering eligible employees meeting service requirements. Participants may contribute up to 100 percent of pretax annual compensation, as defined by the Plan, not to exceed the maximum annual deferral amount, plus any catch-up contributions, as allowed by the Internal Revenue Code. The Organization matched the employees' contribution up to 3% in 2023 and 2022. Contributions to the retirement plan were \$45,227 and \$39,126 during the years ended June 30, 2023 and 2022, respectively.

7. Line of Credit

The Organization has a line of credit agreement with Truist Bank for \$350,000. The line of credit agreement bears a variable interest rate, expiring September, 2024. The interest rate at June 30, 2023 is 9.25%. The outstanding balance was \$325,000 and \$90,000 at June 30, 2023 and 2022, respectively. Interest expense was \$19,983 and \$1,210 during the years ended June 30, 2023 and 2022, respectively.

8. 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, 2023 and 2022, this liability amounted to \$63,218 and \$53,708, respectively.

9. Net Assets With Donor Restrictions

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

	2023	2022
Adaptations Program	\$ 5,779	\$ 9,823
Odhner Fund	17,246	15,495
	\$ 23,025	\$ 25,318

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

9. 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,	
	2023	2022
Adaptations Program	\$ 24,344	\$ 16,770
Odhner Fund	250	-
	\$ 24,594	\$ 16,770

10. Right-of-Use Assets and Liabilities

The Organization leases office and facility space at 713 N 13th Street, Allentown, PA under a five-year lease agreement expiring September 2024. The Organization also leases office equipment under a five-year lease agreement expiring September 2024. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating leases provide for increases in future minimum annual rental payments.

The Organization makes certain assumptions and judgements in determining the discount rate, as several leases do not provide an implicit rate. The Organization uses their incremental borrowing rate, for collateralized borrowing, based on information available at the commencement date in determining the present value of lease payments when the implicit rate is not provided.

Subsequent to the lease commencement date, the Organization reassesses lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Right-of-use assets and operating lease liabilities are recorded on the Statements of Financial Position at June 30, 2023 as follows:

	2023
Right-of-Use Assets	\$ 287,614
Operating Lease Liabilities	\$ 299,076

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

10. Right-of-Use Assets and Liabilities (Continued)

Future minimum lease payments under operating leases as of June 30, 2023:

Year Ending June 30,		
	2024	\$ 258,270
	2025	<u>43,063</u>
Total Minimum Lease Payments		301,333
Less: Amount Representing Interest		<u>(2,257)</u>
Present Value of Minimum Lease Payments		<u>\$ 299,076</u>

Other information related to the Organization's operating leases as of June 30, 2023 are as follows:

Lease Cost:		
Operating Lease Cost (Monthly)		<u>\$ 21,532</u>
Weighted-Average Remaining Lease Term		
Operating Lease		14 Months
Weighted-Average Discount Term		
Operating Lease		1.39%

Disclosures Related to the Period Prior to the Adoption of the New Lease Standard.

Total rental expense under the operating lease agreements was \$242,528 for the year ending June 30, 2022.

11. Related Party Transactions

The Organization provides management consultation services and personnel from Bucks County Center for Independent Living ("BCCIL") through a management service agreement. In 2023, the Organization charged \$233,440 for shared personnel, administrative functions, and professional consulting fees. In 2022, the Organization charged BCCIL \$83,777 for professional consulting fees. These consultation services are reported in Other Programs revenue.

Amounts receivable from BCCIL at June 30, 2023 and 2022 for these services was \$105,179 and \$20,200, respectively.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

12. Going Concern

The Organization had losses of \$291,355 in the year ended June 30, 2023. As of June 30, 2023, the Organization had net assets without donor restrictions of \$22,137. Cash flows used in operations was \$225,881 for the year ended June 30, 2023. These conditions raise substantial doubt about the Organization's ability to continue as a going concern within the next twelve months from the date these financial statements are available to be issued. The ability to continue as a going concern is dependent upon profitable future operations, positive cash flows, and additional financing.

Management intends to finance operating costs over the next twelve months with existing cash on hand, solicitation of additional grants and contributions, reduction in operating costs in the form of decreasing personnel and occupancy costs.

13. Subsequent Events

Management has considered events subsequent to June 30, 2023 that affect the Organization through _____, 2024, the date the financial statements were available to be issued, and has determined that there were no material subsequent events that require recognition or disclosure.

**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, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2024.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

_____, 2024