

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

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

June 30, 2021 and 2020

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

	Page(s)
Independent Auditor's Report	1 - 2
<i>Financial Statements:</i>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 21
<u>Supplementary Information:</u>	
Independent Accountant's Report on Applying Agreed Upon Procedures	23 - 24
Reconciliation of Federal Awards	25
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2021	26
Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2021	27
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>	28 – 29
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	30 – 31
Schedule of Findings and Questioned Costs	32
Summary Schedule of Prior Audit Findings	33

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, 2021 and 2020, 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, 2021 and 2020, 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 1, 2021, 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.

Corybell, Roppold & Yurasita LLP

December 1, 2021

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	June 30,	
	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 350,301	\$ 414,493
Grants Receivable	191,033	179,998
Accounts Receivable	317,380	157,680
Prepaid Expenses	97,033	3,799
Leasehold Improvements and Equipment, Net of Accumulated Depreciation (Note 4)	30,178	36,589
Security Deposit	4,628	4,628
	\$ 990,553	\$ 797,187
Total Assets	\$ 990,553	\$ 797,187
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts Payable	\$ 59,852	\$ 61,834
Accrued Salaries and Wages	85,581	65,136
Deferred Revenue	173,355	53,868
Accrued Compensated Leave (Note 10)	55,246	59,638
Line of Credit (Note 8)	-	-
Loan Payable (Note 9)	424,170	424,200
Commitments and Contingencies (Note 6)	-	-
	798,204	664,676
Total Liabilities	798,204	664,676
Net Assets:		
Net Assets Without Donor Restrictions:		
Undesignated	102,536	47,293
Board Designated for Building Purchase	50,000	50,000
	152,536	97,293
Net Assets With Donor Restrictions (Note 11)	39,813	35,218
	192,349	132,511
Total Net Assets	192,349	132,511
Total Liabilities and Net Assets	\$ 990,553	\$ 797,187

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, 2021 and 2020

	Year Ended June 30,	
	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
<i>Revenue, Support, and Gains:</i>		
Grant Revenue	\$ 742,315	\$ 845,176
Interpreting Services	747,407	972,294
Career Path	386,716	453,745
Adult Autism Waiver Program	170,455	164,135
School-based Services	259,086	122,119
Office of Long-term Living Waiver Program	82,291	166,647
Other Programs	292,602	346,403
Contributions	116,544	79,584
Gross Special Events Revenue	7,599	14,146
Less: Direct Costs Associated with Special Events	(3,382)	(247)
Miscellaneous	21,931	19,079
Realized Gain on Investments	411	-
Interest	1	52
Gain on Loan Extinguishment	424,200	-
Net Assets Released from Donor Restrictions	38,048	50,646
Total Revenue, Support, and Gains	3,286,224	3,233,779
<i>Expenses:</i>		
Program Services	2,619,978	2,767,328
Management and General	559,733	521,202
Fundraising	51,270	56,337
Total Expenses	3,230,981	3,344,867
Increase (Decrease) in Net Assets Without Donor Restrictions	55,243	(111,088)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant Revenue	42,643	10,000
Net Assets Released from Donor Restrictions	(38,048)	(50,646)
Increase (Decrease) in Net Assets With Donor Restrictions	4,595	(40,646)
Increase (Decrease) in Net Assets	59,838	(151,734)
Net Assets at Beginning of Year	132,511	284,245
Net Assets at End of Year	\$ 192,349	\$ 132,511

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, 2021 and 2020

	<u>Year Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
<i><u>Cash Flows from Operating Activities:</u></i>		
Increase (Decrease) in Net Assets	\$ 59,838	\$ (151,734)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	6,411	7,428
Net Realized Gain on Investments	(411)	-
Gain on Loan Extinguishment	(424,200)	-
Donated Stock	(10,996)	-
(Increase) Decrease in:		
Grants Receivable	(11,035)	(66,575)
Accounts Receivable	(159,700)	156,894
Prepaid Expenses	(93,234)	(1,372)
Increase (Decrease) in:		
Accounts Payable	(1,982)	(15,445)
Accrued Salaries and Wages	20,445	(1,798)
Accrued Compensated Leave	(4,392)	5,061
Deferred Revenue	119,487	(107,482)
Net Cash Used by Operating Activities	<u>(499,769)</u>	<u>(175,023)</u>
<i><u>Cash Flows from Investing Activities:</u></i>		
Proceeds from Sale of Investments	<u>11,407</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>11,407</u>	<u>-</u>
<i><u>Cash Flows from Financing Activities:</u></i>		
Proceeds from Line of Credit	95,000	190,000
Payments on Line of Credit	(95,000)	(190,000)
Proceeds from Paycheck Protection Program Loan	<u>424,170</u>	<u>424,200</u>
Net Cash Provided by Financing Activities	<u>424,170</u>	<u>424,200</u>
Increase (Decrease) in Cash and Cash Equivalents	(64,192)	249,177
Cash and Cash Equivalents at Beginning of Year	<u>414,493</u>	<u>165,316</u>
Cash and Cash Equivalents at End of Year	<u>\$ 350,301</u>	<u>\$ 414,493</u>
<i><u>Supplemental Data:</u></i>		
Interest Paid	<u>\$ 782</u>	<u>\$ 3,400</u>
<i><u>Non-Cash Financing Activities:</u></i>		
Donated Stock	<u>\$ 10,996</u>	<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)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
With Comparative Totals for Year Ended June 30, 2020

	2021				2020
	Program Services	Management and General	Fundraising	Totals	Totals
Salaries and Wages	\$ 1,178,533	\$ 412,837	\$ 32,671	\$ 1,624,041	\$ 1,643,418
Payroll Taxes	121,825	20,304	2,901	145,030	148,929
Employee Benefits	251,786	41,964	5,995	299,745	202,365
Total Salaries and Benefits	1,552,144	475,105	41,567	2,068,816	1,994,712
Advertising and Publicity	9,308	-	-	9,308	19,403
Bank Charges	-	10,408	-	10,408	15,473
Communications	12,730	2,122	303	15,155	11,958
Dues, Memberships, Subscriptions	8,361	1,393	199	9,953	9,131
Equipment	28,060	4,677	668	33,405	16,991
General Supplies	14,431	2,392	342	17,165	22,829
Insurance	10,178	1,696	242	12,116	15,110
Interpreter Services	488,894	-	-	488,894	613,924
Occupancy	201,124	33,521	4,789	239,434	238,905
Postage and Delivery	5,326	887	127	6,340	5,484
Printing and Copying	5,649	941	135	6,725	15,810
Professional Fees	182,344	11,953	919	195,216	255,763
Program Supplies	70,327	10,235	1,462	82,024	33,166
Seminars and Training	2,674	446	64	3,184	1,010
Travel and Meals	9,682	1,614	230	11,526	41,719
Utilities	9,362	1,561	223	11,146	12,311
Consumer Stipends	2,870	-	-	2,870	10,340
Miscellaneous	103	-	-	103	-
Direct Costs Associated with Special Events	-	-	3,382	3,382	247
Interest	-	782	-	782	3,400
Depreciation	6,411	-	-	6,411	7,428
Total Expenses	2,619,978	559,733	54,652	3,234,363	3,345,114
Less Expenses Included with Revenues, Support, and Gains on the Statement of Activities and Changes in Net Assets					
Direct Costs Associated with Special Events	-	-	(3,382)	(3,382)	(247)
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	\$ 2,619,978	\$ 559,733	\$ 51,270	\$ 3,230,981	\$ 3,344,867

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

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,221,238	\$ 382,151	\$ 40,029	\$ 1,643,418
Payroll Taxes	125,100	20,850	2,979	148,929
Employee Benefits	169,987	28,331	4,047	202,365
Total Salaries and Benefits	<u>1,516,325</u>	<u>431,332</u>	<u>47,055</u>	<u>1,994,712</u>
Advertising and Publicity	19,403	-	-	19,403
Bank Charges	-	15,473	-	15,473
Communications	10,045	1,674	239	11,958
Dues, Memberships, Subscriptions	7,670	1,279	182	9,131
Equipment	14,273	2,379	339	16,991
General Supplies	19,534	2,920	375	22,829
Insurance	12,692	2,116	302	15,110
Interpreter Services	613,924	-	-	613,924
Occupancy	200,680	33,447	4,778	238,905
Postage and Delivery	4,606	768	110	5,484
Printing and Copying	13,280	2,214	316	15,810
Professional Fees	242,256	12,570	937	255,763
Program Supplies	28,306	4,253	607	33,166
Seminars and Training	849	141	20	1,010
Travel and Meals	35,376	5,512	831	41,719
Utilities	10,341	1,724	246	12,311
Consumer Stipends	10,340	-	-	10,340
Miscellaneous	-	-	-	-
Direct Costs Associated with Special Events	-	-	247	247
Interest	-	3,400	-	3,400
Depreciation	7,428	-	-	7,428
Total Expenses	<u>2,767,328</u>	<u>521,202</u>	<u>56,584</u>	<u>3,345,114</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	-	-	(247)	(247)
Total Expenses Included with Expenses Section on the Statement of Activities and Changes in Net Assets	<u>\$ 2,767,328</u>	<u>\$ 521,202</u>	<u>\$ 56,337</u>	<u>\$ 3,344,867</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, 2021 and 2020

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, 2021 and 2020

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 third-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 focus of the third year has been organizing a Statewide Independent Living Virtual conference scheduled for September 2021. Other topics were Voting and Advocacy 101. LVCIL facilitated reimbursement to PA CILS for specified billable activities.

LVCIL has an over 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 continued 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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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 the 2020-2021 program year, LIFE Services experienced notable growth.

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 private pay, and various grants.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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 support 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, 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, 2021 and 2020

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 \$97,284 at June 30, 2021. 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, 2021 and 2020

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, 2021 and 2020.

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.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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, 2021 and 2020.

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.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (Continued)

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.

Advertising and Publicity

Advertising and publicity costs are expensed as incurred by the Organization, and were \$9,308 and \$19,403 for the years ended June 30, 2021 and 2020, 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 41% and 48% 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, 2021 and 2020, respectively. Receivables from these funding sources were approximately 38% and 53% of total grants and accounts receivable for the years ended June 30, 2021 and 2020, respectively.

Adoption of New Accounting Standards

During 2021, the Organization adopted ASU No. 2018-13, *Fair Value Measurements (Topic 820)* ("ASU 2018-13"), which provides for changes to the disclosure requirements for recurring and nonrecurring fair value measurements under Topic 820, including changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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,	
	2021	2020
Cash and Cash Equivalents	\$ 350,301	\$ 414,493
Grants Receivable	191,033	179,998
Accounts Receivable	317,380	157,680
Net Assets With Board Designations	(50,000)	(50,000)
Net Assets With Donor Restrictions	(39,813)	(35,218)
	\$ 768,901	\$ 666,953

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, 2021, 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 \$250,000 line of credit available to provide working capital, if needed.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

4. Leasehold Improvements and Equipment

Leasehold improvements and equipment consist of the following at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Leasehold Improvements	\$ 42,004	\$ 42,004
Furniture, Fixtures and Equipment	57,071	57,071
	99,075	99,075
 Less: Accumulated Depreciation	 (68,897)	 (62,486)
	 \$ 30,178	 \$ 36,589

Depreciation charged to expense was \$6,411 and \$7,428 for the years ending June 30, 2021 and 2020, respectively.

5. Investments

The Organization liquidated all investments held during the year ended June 30, 2021. The following table summarizes the earnings on investments for the years ended June 30, 2021 and 2020 are as follows:

	June 30,	
	2021	2020
Realized Gains	\$ 411	\$ -
	\$ 411	\$ -

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

6. Commitments and Contingencies

Operating Lease Obligations

The Organization leases office and facility space at 713 N 13th Street, Allentown, PA under a five-year lease agreement expiring June, 2022.

The Organization leases office equipment under a five-year lease agreement which expired in 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 \$241,962 and \$240,742 for the years ending June 30, 2021 and 2020, respectively.

Future minimum lease payments under these agreements are as follows:

Year Ending June 30,		
	2022	\$ 241,532
	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 \$26,133 and \$25,248 during the fiscal years ended June 30, 2021 and 2020, 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 31st 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, 2021 and 2020.

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, 2021 is 3.89%. The outstanding balance was \$-0- at June 30, 2021 and 2020. Interest expense was \$782 and \$3,400 during the years ended June 30, 2021 and 2020, respectively.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

9. Loan Payable

The Organization was the recipient of the federally issued Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Paycheck Protection Program (PPP) as a result of the COVID-19 pandemic.

Proceeds of \$424,200 from the PPP loan program were received on April 27, 2020. The Organization elected to treat the loan proceeds as a financial liability as of June 30, 2020. If the Small Business Administration (SBA) did not confirm forgiveness of the loan, or only partly confirmed forgiveness of the loan, the Organization would have been obligated to repay the bank principal and interest (at a fixed rate of 1.00%) based upon terms established in a separate letter with the bank based upon a maturity date of two years from the funding date. On December 23, 2020, the Organization received full forgiveness in the amount of \$424,200. Gain on loan extinguishment for the year ended June 30, 2021 was \$424,200.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the “CA Act”) was signed. Included in the CA Act is a second round of Paycheck Program loans for business facing significant revenue declines in any 2020 quarter compared to the same quarter in 2019. Eligible second-time borrowers were required to have 300 or fewer employees, a 25% gross revenue decline during any quarter in 2020 as compared to the same quarter in 2019, and have used or will use the full amount of the first Paycheck Protection loan. The second round of Paycheck Program loans are capped at the lesser of 2.5x a borrower’s LTM average monthly payroll consisting of no more than \$100,000 per employee plus health and retirement benefits, or \$2,000,000 per borrower. The Organization has the option to choose the length of the covered period of expenses of not few than eight weeks, but no longer than twenty-four weeks. The Organization received \$424,170 related to this program on March 16, 2021. The Organization elected to treat the loan proceeds as a financial liability as of June 30, 2021.

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, 2021 and 2020, this liability amounted to \$55,246 and \$59,638, 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:

	2021	2020
Adaptations Program	\$ 26,317	\$ 35,218
Odhner Fund	13,496	-
	\$ 39,813	\$ 35,218

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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,	
	2021	2020
Adaptations Program	\$ 37,993	\$ 50,646
Odhner Fund	55	-
	\$ 38,048	\$ 50,646

12. Subsequent Events

Management has considered events subsequent to June 30, 2021 that affect the Organization through December 1, 2021, the date the financial statements were available to be issued, and has determined that with the exception of the items noted below, no material subsequent events exist that require disclosure.

On October 25, 2021, the Organization was notified by its lender and the United States Small Business Administration that its second draw PPP loan in the amount of \$424,170 was forgiven in its entirety.

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2022 fiscal year operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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 on the financial schedules and exhibits required by the DHS Single Audit Supplement of Lehigh Valley Center for Independent Living, Inc. Lehigh Valley Center for Independent Living, Inc.'s management is responsible for the financial schedules and exhibits required by the DHS Single Audit Supplement.

Lehigh Valley Center for Independent Living, Inc. has agreed to and acknowledged that procedures performed are appropriate to meet the intended purpose reporting on the financial schedules and exhibits required by the DHS Single Audit Supplement. Additionally, the Commonwealth of Pennsylvania, Department of Human Services ("DHS") agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 engaged by Lehigh Valley Center for Independent Living, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, the financial schedules and exhibits required by the DHS Single Audit Supplement. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Lehigh Valley Center for Independent Living, Inc. and the Commonwealth of Pennsylvania, Department of Human Services, and is not intended to be and should not be used by anyone other than these specified parties.

Congbell, Rappold & Yasaita LLP

December 1, 2021

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
RECONCILIATION OF FEDERAL AWARDS
For the Year Ended June 30, 2021

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 per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (C-D)</u>	<u>Detailed Explanation of the Differences</u>
Medicaid: Title XIX	93.778	\$ 281,013	\$ 281,013	\$ -	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, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Additional Award Identification	Pass-Through Entity Identifying Number	Expenditures	Expenditures to Sub-Recipients
<u>DIRECT AWARD</u>					
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program	97.024		N/A	\$ 9,450	\$ -
COVID-19 Emergency Food and Shelter National Board Program	97.024	COVID-19	N/A	11,550	-
Total U.S. Department of Homeland Security				<u>21,000</u>	<u>-</u>
<u>PASS-THROUGH AWARDS</u>					
CDBG - Entitlement Grants Cluster:					
U.S. Department of Housing and Urban Development					
Passed Through the City of Allentown: Community Development Block Grants/Entitlement Grants	14.218		N/A	23,656	-
Passed Through the City of Bethlehem: Community Development Block Grants/Entitlement Grants	14.218		N/A	8,133	-
Passed Through the City of Easton: Community Development Block Grants/Entitlement Grants	14.218		N/A	1,083	-
Passed Through the County of Northampton: Community Development Block Grants/Entitlement Grants	14.218		N/A	10,068	-
Total CDBG - Entitlement Grants Cluster				<u>42,940</u>	<u>-</u>
Medicaid Cluster					
U.S. Department of Health and Human Services					
Passed Through the Pennsylvania Department of Human Services: Medical Assistance Program	93.778		101266074	227,145	-
COVID-19 Medical Assistance Program	93.778	COVID-19	101266074	53,868	-
Passed Through the County of Lehigh: Medical Assistance Program	93.778		N/A	440	-
Total Medicaid Cluster				<u>281,453</u>	<u>-</u>
U.S. Department of Education					
Passed Through the Pennsylvania Department of Labor and Industry: Rehabilitation Services: Vocational Rehabilitation Grants to States	84.126		130661	295,594	-
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187		130661	9,366	-
Total U.S. Department of Education				<u>304,960</u>	<u>-</u>
U.S. Department of Health and Human Services					
Passed Through the County of Lehigh: Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		N/A	28,951	-
Passed Through the Pennsylvania Department of Labor and Industry: ACL Independent Living State Grants	93.369		4100081441	282,229	131,728
Passed Through the Temple University: ACL Assistive Technology	93.464		N/A	45,170	-
Total U.S. Department of Health and Human Services				<u>356,350</u>	<u>131,728</u>
U.S. Department of Housing and Urban Development					
Passed Through the County of Lehigh: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		N/A	16,555	-
Total U.S. Department of Housing and Urban Development				<u>16,555</u>	<u>-</u>
U.S. Department of Treasury					
Passed Through the County of Lehigh: Coronavirus Relief Fund	21.019	COVID-19	N/A	15,000	-
Passed Through the County of Northampton: Coronavirus Relief Fund	21.019	COVID-19	N/A	5,000	-
Total U.S. Department of Treasury				<u>20,000</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 1,043,258</u>	<u>\$ 131,728</u>

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, 2021

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, 2021. 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, 2021, and the related statements of activities, 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 December 1, 2021.

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 & Yasaita LLP

December 1, 2021

**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, 2021. 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, 2021.

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 & Yusaite LLP

December 1, 2021

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

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

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes 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 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

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

LEHIGH VALLEY CENTER FOR INDEPENDENT LIVING, INC.
(A Not-for-Profit Corporation)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

Summary Schedule of Prior Audit Findings

- NONE-