

Attachment D:  
CALV Audited Financial Statement 2021-2022

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>	<b>6</b>
<b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>8</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>10</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>12</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CONSOLIDATING STATEMENTS OF FINANCIAL POSITIONS</b>	<b>40</b>
<b>CONSOLIDATING STATEMENTS OF ACTIVITIES</b>	<b>42</b>
<b>CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>44</b>
<b>PARENT COMPANY'S STATEMENT OF PROGRAM EXPENSES</b>	<b>47</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Community Action Committee  
of the Lehigh Valley, Inc. and Subsidiaries  
Bethlehem, Pennsylvania

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Adjustments to Prior Period Consolidated Financial Statements***

The consolidated financial statements as of and for the year ended June 30, 2021 of Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries were audited by other auditors whose opinion dated August 31, 2022, expressed an unmodified opinion on those statements. As more fully described in Note 22, the Organization has restated its 2021 consolidated financial statements during the current year to properly account for loans held for another entity, in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2021 consolidated financial statements before the restatement.

As part of our audit of the consolidated financial statements as of and for the year ended June 30, 2022, we also audited the adjustment described in Note 22 that was applied to restate the 2021 consolidated financial statements. In our opinion, the adjustment is appropriate and has been properly applied. We were not engaged to audit, review or apply any procedures to the 2021 consolidated financial statements of the Organization other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2021 consolidated financial statements as a whole

***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.


In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries internal control. Accordingly, no such opinion is expressed.

Board of Directors  
Community Action Committee  
of the Lehigh Valley, Inc. and Subsidiaries

- 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Committee of the Lehigh Valley, Inc, and Subsidiaries 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Bethlehem, Pennsylvania  
December 18, 2023

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u> (As Restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 11,492,127	\$ 12,195,205
Restricted Cash	2,850,108	12,983,492
Grant Receivable	2,325,865	1,787,983
Unconditional Promises to Give	264,794	24,291
Program Loans Receivable, Net of Loss Reserve	69,754	592,792
Inventory	2,045,638	1,897,039
Property Inventory, Net of Loss of Reserve	565,383	497,642
Prepaid Expenses	360,615	290,807
Total Current Assets	<u>19,974,284</u>	<u>30,269,251</u>
 <b>PROPERTY AND EQUIPMENT, NET OF DEPRECIATION</b>	 6,922,381	 7,293,056
<b>OTHER ASSETS</b>		
Unconditional Promises to Give	-	11,225
Investments	-	319,683
Program Loans Receivable, Net of Current Portion	1,687,950	1,672,016
Total Other Assets	<u>1,687,950</u>	<u>2,002,924</u>
 Total Assets	 <u><u>\$ 28,584,615</u></u>	 <u><u>\$ 39,565,231</u></u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u> (As Restated)
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 539,438	\$ 155,983
Line of Credit	75,000	175,000
Accounts Payable	543,728	530,477
Accrued Expenses	86,599	132,869
Accrued Interest	9,875	9,875
Accrued Wages	284,376	542,612
Compensated Absences	140,551	132,108
Refundable Advances	2,350,405	12,927,044
Custodial Funds	<u>3,630</u>	<u>53,635</u>
Total Current Liabilities	4,033,602	14,659,603
<b>NONCURRENT LIABILITIES</b>		
Long-Term Debt, Less Current Maturities	2,132,122	2,546,338
Loans Held for Others	<u>931,108</u>	<u>922,668</u>
Total Noncurrent Liabilities	<u>3,063,230</u>	<u>3,469,006</u>
Total Liabilities	7,096,832	18,128,609
<b>NET ASSETS</b>		
Without Donor Restrictions	14,034,167	13,954,651
With Donor Restrictions	<u>7,453,616</u>	<u>7,481,971</u>
Total Net Assets	<u>21,487,783</u>	<u>21,436,622</u>
Total Liabilities and Net Assets	<u><u>\$ 28,584,615</u></u>	<u><u>\$ 39,565,231</u></u>

See accompanying Notes to Consolidated Financial Statements.



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions and Grants, Private	\$ 2,082,677	\$ 3,802,039	\$ 5,884,716
Grants. Government	30,276,079	9,583,704	39,859,783
Donated Food Products	14,997,837	-	14,997,837
Shared Maintenance Fee	77,519	-	77,519
Program Services	1,761,798	-	1,761,798
Interest Income	4,483	2,349	6,832
Gain (Loss) on Sale of Homes	(10,481)	-	(10,481)
Total	<u>49,189,912</u>	<u>13,388,092</u>	<u>62,578,004</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
For Program Operations	13,369,647	(13,369,647)	-
For Capital Additions	46,800	(46,800)	-
Total	<u>13,416,447</u>	<u>(13,416,447)</u>	<u>-</u>
Total Revenue and Support	62,606,359	(28,355)	62,578,004
<b>EXPENSES</b>			
Program	58,967,196	-	58,967,196
Supporting Services:			
Management and General	2,984,005	-	2,984,005
Fundraising	575,642	-	575,642
Total Expenses	<u>62,526,843</u>	<u>-</u>	<u>62,526,843</u>
<b>CHANGES IN NET ASSETS</b>	79,516	(28,355)	51,161
Net Assets - Beginning of Year	<u>13,954,651</u>	<u>7,481,971</u>	<u>21,436,622</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 14,034,167</u></u>	<u><u>\$ 7,453,616</u></u>	<u><u>\$ 21,487,783</u></u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions (As Restated)	With Donor Restrictions (As Restated)	Total (As Restated)
<b>REVENUE AND SUPPORT</b>			
Contributions and Grants, Private	\$ 1,375,897	\$ 9,213,973	\$ 10,589,870
Grants. Government	14,871,668	-	14,871,668
Donated Food Products	12,442,352	-	12,442,352
Shared Maintenance Fee	131,080	-	131,080
Program Services	1,930,222	-	1,930,222
Other Income	20,760	-	20,760
Interest Income	202,986	5,245	208,231
Gain on Sale of Homes	787	-	787
Total	<u>30,975,752</u>	<u>9,219,218</u>	<u>40,194,970</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
For Program Operations	4,299,661	(4,299,661)	-
For Capital Additions	47,275	(47,275)	-
Total	<u>4,346,936</u>	<u>(4,346,936)</u>	<u>-</u>
Total Revenue and Support	35,322,688	4,872,282	40,194,970
<b>EXPENSES</b>			
Program	29,507,750	-	29,507,750
Supporting Services:			
Management and General	3,134,005	-	3,134,005
Fundraising	622,887	-	622,887
Total Expenses	<u>33,264,642</u>	<u>-</u>	<u>33,264,642</u>
<b>CHANGES IN NET ASSETS</b>	2,058,046	4,872,282	6,930,328
Net Assets - Beginning of Year, as Previously Reported	11,896,605	3,521,379	15,417,984
Correction of an Error		(911,690)	(911,690)
Net Assets - Beginning of Year, as Restated	<u>11,896,605</u>	<u>2,609,689</u>	<u>14,506,294</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 13,954,651</u>	<u>\$ 7,481,971</u>	<u>\$ 21,436,622</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program	Management and General	Fundraising	Total
<b>PERSONNEL</b>				
Salaries and Wages	\$ 3,078,997	\$ 1,488,360	\$ 339,471	\$ 4,906,828
Employee Benefits/Payroll Taxes	1,396,852	635,651	139,683	2,172,186
Conferences and Training	23,780	42,177	-	65,957
Travel	26,045	11,300	-	37,345
Total Personnel	<u>4,525,674</u>	<u>2,177,488</u>	<u>479,154</u>	<u>7,182,316</u>
<b>OTHER</b>				
Advertising and Promotion	82,636	6,682	-	89,318
Bad Debt Expense	-	24,937	-	24,937
Computer Tech Support	2,811	-	-	2,811
Contracted Services/Assistance	24,328,720	81,330	-	24,410,050
Depreciation	383,898	111,349	-	495,247
Dues and Subscriptions	51,188	33,450	-	84,638
Equipment Maintenance and Repairs	162,116	10,078	-	172,194
Facility Maintenance and Utilities	189,986	70,429	-	260,415
Food Distributions	16,670,648	-	-	16,670,648
Grants - Southside Revitalization	7,710,826	-	-	7,710,826
Insurance	85,296	63,412	-	148,708
Interest	47,738	2,816	-	50,554
Provision for Loan Losses	10,933	-	-	10,933
Minor Equipment Purchase	278,129	21,624	-	299,753
Miscellaneous	60,037	26,159	-	86,196
Occupancy	45,150	-	-	45,150
Payroll Processing	1,140	-	-	1,140
Postage	44,453	-	11,097	55,550
Printing	52,625	-	85,391	138,016
Professional Fees	1,921,899	255,902	-	2,177,801
Program Contract Costs and Supplies	764,089	-	-	764,089
Project Cost Loss Reserve	348,000	-	-	348,000
Supplies	806,519	17,753	-	824,272
Telephone	88,446	49,731	-	138,177
Utilities	132,757	28,276	-	161,033
Vehicle Operation and Repairs	171,482	2,589	-	174,071
Total Other	<u>54,441,522</u>	<u>806,517</u>	<u>96,488</u>	<u>55,344,527</u>
Total Functional Expenses	<u>\$ 58,967,196</u>	<u>\$ 2,984,005</u>	<u>\$ 575,642</u>	<u>\$ 62,526,843</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>PERSONNEL</b>				
Salaries and Wages	\$ 2,540,390	\$ 1,401,431	\$ 283,396	\$ 4,225,217
Employee Benefits/Payroll Taxes	1,223,303	624,888	127,389	1,975,580
Conferences and Training	18,067	9,645	2,032	29,744
Travel	15,219	4,991	1,475	21,685
Total Personnel	<u>3,796,979</u>	<u>2,040,955</u>	<u>414,292</u>	<u>6,252,226</u>
<b>OTHER</b>				
Advertising and Promotion	411	-	-	411
Bad Debt Expense	-	52,701	-	52,701
Computer Tech Support	1,442	-	-	1,442
Contracted Services/Assistance	6,910,475	315,968	-	7,226,443
Depreciation	335,080	108,474	-	443,554
Dues and Subscriptions	44,385	25,948	8,432	78,765
Equipment Maintenance and Repairs	103,840	9,142	22,373	135,355
Facility Maintenance and Utilities	191,026	95,622	-	286,648
Food Distributions	13,700,276	-	-	13,700,276
Grants - Southside Revitalization	107,348	-	-	107,348
Insurance	74,985	54,211	-	129,196
Interest	39,173	3,952	-	43,125
Provision for Loan Losses	(65,431)	-	-	(65,431)
Minor Equipment Purchase	58,603	100,568	-	159,171
Miscellaneous	3,646	-	-	3,646
Occupancy	29,756	21,886	9,317	60,959
Other Expenses	43,896	-	-	43,896
Payroll Processing	1,691	-	-	1,691
Postage	26,996	4,401	27,254	58,651
Printing	11,002	969	74,204	86,175
Professional Fees	2,041,221	226,935	-	2,268,156
Program Contract Costs and Supplies	679,100	-	-	679,100
Project Cost Loss Reserve	72,000	-	-	72,000
Rents	6,450	-	-	6,450
Subgrantee Payments	148,727	-	-	148,727
Supplies	823,017	26,800	51,880	901,697
Telephone	73,817	45,435	15,135	134,387
Utilities	143,221	-	-	143,221
Vehicle Operation and Repairs	104,618	38	-	104,656
Total Other	<u>25,710,771</u>	<u>1,093,050</u>	<u>208,595</u>	<u>27,012,416</u>
Total Functional Expenses	<u>\$ 29,507,750</u>	<u>\$ 3,134,005</u>	<u>\$ 622,887</u>	<u>\$ 33,264,642</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 51,161	\$ 6,930,328
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	495,247	443,554
Provision for (Recovery of) Loan Losses	10,933	(65,431)
Noncash Loss Provision	348,000	72,000
Unrealized Gain on Investment	-	(83,647)
(Increase) Decrease in Assets:		
Grant Receivable	(537,882)	(565,711)
Accounts Receivables, Other	-	(377,082)
Unconditional Promises to Give	(229,278)	270,281
Inventory	(148,599)	(832,516)
Property Inventory	(415,741)	(32,445)
Prepaid Expenses	(69,808)	(114,651)
Increase (Decrease) in Liabilities:		
Accounts Payable	13,251	33,750
Accrued Wages	(258,236)	161,317
Accrued Expense	(46,270)	48,210
Accrued Interest	-	(2,625)
Compensated Absences	8,443	877
Refundable Advances	(10,576,639)	10,974,110
Custodial Funds	(50,005)	5,699
Loans Held for Others	8,440	10,978
Net Cash Provided by (Used in) Operating Activities	<u>(11,396,983)</u>	<u>16,876,996</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Paid for Land Leases	-	(16,800)
Purchase of Investments	-	(27,559)
Release of Investments	319,683	-
Program Loans Dispersed	(761,080)	(536,000)
Program Loans Repaid	1,257,251	1,394,386
Purchase of Property and Equipment	(124,572)	(661,622)
Net Cash Provided by Investing Activities	<u>691,282</u>	<u>152,405</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Line of Credit	(100,000)	-
Proceeds from Notes Payable	-	10,000
Payments on Notes Payable	(30,761)	(36,491)
Net Cash Used by Financing Activities	<u>(130,761)</u>	<u>(26,491)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10,836,462)	17,002,910
Cash and Cash Equivalents - Beginning of Year	<u>25,178,697</u>	<u>8,175,787</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 14,342,235</u></u>	<u><u>\$ 25,178,697</u></u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 11,492,127	\$ 12,195,205
Restricted Cash	<u>2,850,108</u>	<u>12,983,492</u>
Total	<u>\$ 14,342,235</u>	<u>\$ 25,178,697</u>

**SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION**

Cash Payments for:

    Interest

<u>\$ 41,452</u>	<u>\$ 43,125</u>
------------------	------------------

*See accompanying Notes to Consolidated Financial Statements.*

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND PURPOSE**

**Nature of Operations**

Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries (the Organization) consists of six not-for-profit organizations incorporated under the laws of the Commonwealth of Pennsylvania. Major program revenue consists of private funds from utility contracts, corporate, foundation and individual contributions and governmental contracts. It is understood that any grantor or contributor could be lost in the near term.

**Consolidation Policy**

The accompanying consolidated financial statements include the accounts of the following companies, all of which are under common control, intercompany transactions have been eliminated from the consolidated financial statements:

**Community Action Committee of the Lehigh Valley, Inc. (CACLV)**

CACLV is the parent corporation and a description of the Organization's programs is as follows:

**Weatherization Program**

The Weatherization Program is a collection of energy-related services designed to conserve energy and save money on home heating and cooling costs. The program makes improvements to both single-family and multi-family homes, including infiltration prevention, water heater wraps, and insulation. To complement these physical improvements, the agency also educates residents in energy conservation and lead paint hazards. The Weatherization Program repairs or replaces heating systems in cold weather emergency situations for qualified low-income households.

**Sixth Street Shelter/Turner Street Apartments/Ferry Street Apartments**

The Sixth Street Shelter provides temporary housing (60-90 days) for homeless families with children. Shelter staff assists families to stabilize their crisis, save money, relocate to permanent housing, and obtain other appropriate services such as job training and child care.

Turner Street Apartments in Allentown and Ferry Street Apartments in Easton provide long-term transitional housing (up to two years) for families that have been homeless. Services are similar to those offered at the Sixth Street Shelter; however, families in these programs are expected to pursue vocational training or education as a condition of their stay, with an intended outcome of economic self-sufficiency.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)**

**Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)**

**Second Harvest Food Bank of the Lehigh Valley and Northeast Pennsylvania (SHFB)**

Second Harvest Food Bank of the Lehigh Valley and Northeast Pennsylvania (Second Harvest) distributes food to more than 200 non-profit "member" agencies that provide food assistance to people in need. These agencies include soup kitchens, day care centers, homeless shelters, residential rehabilitation services and emergency food pantries. As an affiliate of Feeding America (formerly America's Second Harvest), the national food bank network, Second Harvest has access to a portion of the millions of pounds of food solicited annually through the network. The food becomes available for a variety of reasons, including corporate generosity, food that is improperly weighed or packaged, product that is approaching the expiration date and producer's need for warehouse space. Additionally, Second Harvest solicits donations from local food producers, retailers and private citizens. Member agencies may acquire these products for free or for a shared maintenance fee of up to 16 cents per pound. Second Harvest is able to pick up donated product from donors and deliver the product to the member agencies.

- The Seed Farm provides affordable access to critical and otherwise prohibitively expensive resources—such as land, infrastructure, equipment, and mentoring—thereby lowering the barriers to farm entry so that beginning farmers may pursue careers in agriculture. Since 2010, TSF has provided intensive, full-season training in production, marketing, business planning, and equipment operation to dozens of beginning farmers looking to start farms.

**Housing Counseling Program (HCP)**

Housing Counseling Program aims to increase homeownership, stabilize neighborhoods and build community wealth, particularly for minorities and low- to moderate-income households. This is accomplished through the provision of home ownership opportunities, which includes the Home Ownership Counseling Program that provides first-time homebuyer educational seminars; pre-purchase counseling; pre-settlement counseling; financial literacy education; and the Home Ownership Savings Account Program, which requires the participant to save \$20 per week for two years, for a total of \$2,000 that will be matched for a combined total of \$4,000 to be used toward purchasing an owner-occupied home. HCP also provides foreclosure prevention services through the Foreclosure Mitigation Counseling Program, which provides counseling services to homeowners in default, at risk of default, or facing foreclosure. In addition, the Mortgage Foreclosure Diversion Program, operated by both Lehigh and Northampton County Court of Common Pleas, is a mediation program in the court systems available to owners of single-family homes in foreclosure.



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)**

**Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)**

Community Action Homes (CAH)

Community Action Homes will focus resources in targeted areas of the City of Allentown, City of Bethlehem, Northampton County, and Lehigh County in order to undertake the following projects: acquisition/rehab/resale, owner-occupied rehab, owner-occupied facades, multi-unit facades, investor-owned rehabs, commercial facades, “porch paint” projects, and Land Trust duplexes from de-conversions. These improvements will be made to enhance the health, well-being and quality of life of neighborhood residents; increase property values in the surrounding neighborhoods; and create wealth for the residents and revenue for the cities and counties. Our Lehigh Valley Community Land Trust, Housing Counseling Program, and Weatherization programs are all part of Community Action Homes.

Custody/Subcontract Services

CACLV operates a rental assistance clearinghouse to facilitate and monitor the distribution of payments of rental assistance for the counties of Lehigh and Northampton.

CACLV operates as a fiscal agent from the Lehigh County Emergency Rental Assistance Program to facilitate and monitor the distribution of payments.

CACLV partners with United Way of the Greater Lehigh Valley to provide professional support for the Lehigh Valley Food Policy Council, a collective impact group to address the root causes of hunger and food insecurity, lack of access to fresh food, diminishing farmland, and barrier prohibiting success of local food producers.

Campaign for Racial and Ethnic Justice Program

The Campaign for Racial and Ethnic Justice was created to focus on the unique elements that hold people of color back in the pursuit of economic and social justice. Income and wealth disparity in our nation and community are too often drawn along color lines and CACLV created the campaign to seek remedies in the Lehigh Valley.

- Generation Next is a college readiness, access and completion program created to correct disparities in education. The program works with students to achieve college admission, integrate into college life, and complete a post-secondary program.
- SHE (an acronym for She Has Everything) is a strength-based empowerment program that assists girls to develop life skills that promote academic achievement, well-being, healthy relationships, resilience, teamwork, and leadership. The mission of SHE is to create an educational and inspirational environment in which girls build self-esteem, are empowered to change the dynamics in their personal relationships and the greater community, and seize control of their futures, ensuring healthy, fulfilling, and self-sufficient lives.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)**

**Community Action Committee of the Lehigh Valley, Inc. (CACLV) (Continued)**

Campaign for Racial and Ethnic Justice Program (Continued)

- Color Outside the Lines initiative engages the Lehigh Valley in a conversation about race and ethnicity that eliminates barriers to fairness and opportunity, strengthens our community, and leaves no one behind.

Slate Belt Rising

Slate Belt Rising (SBR) is CACLV's multi-municipal neighborhood partnership, the first of its kind in the Commonwealth of Pennsylvania, encompassing the boroughs of Wind Gap, Pen Argyl, Bangor and Portland. SBR's focus includes the beautification of business districts, façade improvements, establishment of committees with community stakeholders, engagement of the region's youth, and relationship building with CACLV programs and other partners in the target areas.

Administration

Administration includes the management of the staff, programs and finances of CACLV and the supportive services that accompany the agency's and subsidiaries' management. Community planning and advocacy are at the core of the agency's mission. Community Action Agencies have a historic purpose of promoting change and advocating for the interests of the poor. Funding for Administration and community planning and advocacy is provided primarily through the Community Services Block Grant (CSBG), although various other funding sources provide partial support.

The subsidiaries of Community Action Committee of the Lehigh Valley are as follows:

**Community Action Development Corporation of the Lehigh Valley, Inc. DBA  
Community Action Development Corporation of Allentown (CADCA)**

The mission of this Subsidiary is to assist and promote neighborhood revitalization and community spirit by providing access to economic opportunity, creating and sustaining businesses owned and operated by its neighbors, and empowering people to have a voice in the decisions that affect their lives. CADCA completed the second year for the six year Allentown's Core Neighborhood Partnership Program in collaboration with multiple youth serving community partners.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 1 ORGANIZATION AND PURPOSE (CONTINUED)**

**Community Action Development Corporation of Bethlehem, Inc. (CADCB)**

The mission of CACLV's subsidiary, Community Action Development Corporation of Bethlehem (CADCB), is to promote social and economic change by fostering business and other economic opportunities within the communities of Bethlehem. CADCB worked together with neighbors to advance a neighborhood-based vision of community and economic development that builds on the strengths and assets of life in South Bethlehem and Northside 2027 neighborhoods by empowering residents and expanding economic opportunity through small business support, housing rehabilitation and advocacy, and community development projects.

**Lehigh Valley Community Land Trust (LVCLT)**

The mission of CACLV's subsidiary, Lehigh Valley Community Land Trust (LVCLT), is to create and preserve affordable homes for working families. LVCLT is committed to strengthening communities by providing permanent affordable housing for income-qualified households through the development or redevelopment of land and/or the purchase and rehabilitation of real estate in Lehigh Valley.

**Rising Tide Community Loan Fund (RTCLF)**

This Subsidiary is a certified Community Development Financial Institution (certified by the U.S. Department of the Treasury). The mission of RTCLF is to support prospective, start-up and established small businesses whose risk factors make it difficult to obtain funds from traditional lenders, but who inevitably make up the backbone of a thriving local economy.

**Lehigh and Northampton Counties Revolving Loan Fund, Inc. (LNCRLF)**

The organization provides loans to small or start-up business ventures, that may not qualify to bank standards, to improve the social welfare of economically depressed or blighted neighborhoods of the community. Donor/investors have loaned funds for use in program lending at no or below market interest.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

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

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for losses on loans and the valuation of real estate and food inventory.

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service income and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. For the years ended June 30, 2022 and 2021 there is no deferred revenue for program service income. Accounts receivable related to program service income for the years ended June 30, 2022, 2021, and 2020 are \$431,158, \$431,158, and \$54,076, respectively.

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

Consequently, at June 30, 2022, conditional promises to give of approximating \$4,550,000, have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met. Detail of the promises to give and conditional promises to give are contained in Note 5.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. As of June 30, 2022 and 2021, the Organization has refundable advances of \$2,350,867 and \$12,927,044, respectively. Revenue under the grant contracts for the years ended June 30, 2022 and 2021, was \$39,850,891 and \$14,871,668, respectively. Receivables related to grant contracts of the Organization as of June 30, 2022, 2021, and 2020 are \$1,879,815, \$1,356,825, and \$791,114, respectively.

Additionally, sales of real estate included in revenue of CACLV and LVCLT are recorded at the time of closing of the sale when title to and possession of the property improvements are transferred to the buyer. Costs of sales are based on direct costs. Closing costs and sales expense are specifically identified with the house sold and shown as a direct reduction to the sales receipts.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**In Kind Contributions**

**Donated Goods and Services**

A portion of the Organization's functions are conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying consolidated financial statements since the volunteers' time does not meet the criteria for recognition. Gifts of donated food and grocery products over which the Organization has control (i.e. variance power) are reported as unrestricted public support and, shortly thereafter, as expense when granted to food rescue organizations.

**Below Market In-Kind Interest**

RTCLF has several loans payable, as more fully described in Note 12, which are noninterest bearing or bear interest at a below market rate. Interest has been imputed on the RTCLF loans at 2.22% and 0.73% for the years ended June 30, 2022 and 2021. The interest is recorded as an in-kind contribution and in-kind interest expense.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* — Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve and board- designated endowment. Their governing boards have designated certain net assets as of June 30, 2022 and 2021, detail included in Note 15.

*Net Assets with Donor Restrictions* — Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long- lived assets are recognized as revenue when the assets are placed in service. Donor- imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Detail of net assets with donor restrictions is included in Note 14.

**Cash and Cash Equivalents**

Cash and cash equivalents, for the purposes of the Consolidated Statements of Cash Flows, includes short-term, highly liquid financial instruments with original maturities of 90 days or less.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Contributions received are recorded as revenue with or without donor restriction depending on the existence and/or nature of any donor restriction. Contributed property and equipment is recorded at fair value at the date of the donation.

**Promises to Give**

Unconditional written promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

**Property and Equipment**

CACLV's property and equipment with acquisition costs of \$5,000 or more are recorded at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. All the other subsidiaries' property and equipment with acquisition costs of \$1,000 or more are recorded at cost and depreciated over their estimated useful lives of the assets on the straight-line basis ranging from three to seven years.

Depreciation charged to expense is \$495,247 and \$443,554 for the years ended June 30, 2022 and 2021, respectively.

**Land Held in Trust**

Land has been received through purchase, bargain purchase or donation. Land purchased at market value is recorded at the net present value of the ground rent. Land acquired by bargain purchase or donation is recorded at fair market value at the date received. Land is transferred from property inventory to land held in trust at the time property is acquired. As of June 30, 2022 and 2021 land held in trust was \$329,547 and 329,547, respectively.

**Property Inventory**

Property inventory represents costs incurred by CACLV for housing rehabilitation projects. Costs consist primarily of the initial property purchase (including the land cost), rehabilitation costs, and other carrying costs incurred during rehabilitation. Holding costs incurred after a house is ready for sale, such as utilities, maintenance, and interest are charged to expense. Property inventory as of June 30, 2022 and 2021, net of loss reserves, is \$565,383 and \$497,642, respectively.

**Program Loans Receivable**

Loans are reported for RTCLF and LNCRLF at their recorded investment, which is the outstanding principal balance plus accrued interest and net of any unearned income, such as deferred fees or costs, and charge-offs. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Loan Loss Reserve**

The allowance for loan losses for RTCLF and LNCRLF reflects management's judgment of probable loan losses inherent in the portfolio at the balance sheet date. The Organizations use a disciplined process and methodology to establish the allowance for loan losses each year. To determine the total allowance for loan losses, management estimates the reserves needed for each segment of the portfolios, including loans analyzed individually and loans analyzed on a collective basis.

To determine the balance of the allowance account, loans are pooled by portfolio segment and losses are modeled using historical experience and quantitative and other mathematical techniques over the loss emergence period and consideration of specific allowance amounts related to loans in excess of 60 days past due.

The establishment of the allowance for loan losses relies on a consistent process that requires multiple layers of management review and judgment and responds to changes in economic conditions, among other influences. From time to time, events or economic factors may affect the loan portfolios, causing management to provide additional amounts to or release balances from the loan loss reserve.

Management monitors differences between estimated and actual incurred loan losses. This monitoring process includes periodic assessments by management of individual loans and the methods used to estimate incurred losses on those loans. Additions to the loan loss reserve are made by charges to the provision for loan losses. Recoveries of previously charged off amounts are credited to the loan loss reserve.

**Loan Charge-Offs**

For program loans receivable, RTCLF and LNCRLF fully or partially charges off a loan when repayment is deemed to be protracted beyond reasonable time frames.

**Compensated Absences**

All full-time and full benefit part-time employees earn annual leave benefits. Accordingly, the liability for employees' rights to receive compensation for future absences is recorded as a liability in the accompanying statements of financial position.

**Income Taxes**

Community Action Committee of the Lehigh Valley, Inc. and Subsidiaries is comprised of six not-for-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, related to uncertain tax positions. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings in determining any uncertain tax positions.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under that guidance, the Organization may recognize the tax benefit 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 consolidated financial statements from a tax 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 recorded as liabilities for fiscal year 2022 and 2021.

The Parent Organization and each of its subsidiaries file Form 990 - Return of Organization Exempt From Income Tax annually. The Organization's returns for tax years 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**Adoption of New Accounting Standards**

The Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The adoption of ASU 2020-07 had no impact on the financial statement presentation.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Management and Board of Directors regularly monitors liquidity needed to meet the Organization's operating needs and other contractual commitments. The Organization regularly manages cash resources to maximize any interest earnings and minimize the cost of borrowing. It also has various sources of liquidity at its disposal, including cash and cash equivalents, lines of credit and contractually obligated short-term receivables.

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



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

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

	2022	2021
Cash and Cash Equivalents	\$ 14,342,235	\$ 25,178,697
Grant Receivable	2,325,865	1,787,983
Unconditional Promises to Give	264,794	24,291
Program Loans Receivable, Net of Loss Reserve	69,754	592,792
Less: Contractual or Donor-Imposed Restriction Making Financial Assets Unavailable for General Expenditure	(9,804,021)	(21,385,318)
Total	<u>\$ 7,198,627</u>	<u>\$ 6,198,445</u>

**NOTE 4 RESTRICTED CASH**

Restricted cash as of June 30 was restricted for the following purposes:

	2022	2021
<b>CACLV</b>		
Family and Resident Savings	\$ 3,630	\$ 53,635
Lehigh County Emergency Rental Assistance Program	1,086,883	4,015,797
True Endowment (SHFB)	5,000	5,000
Total CACLV	1,095,513	4,074,432
<b>LVCLT</b>		
Program Expenses	-	104,020
Total LVCLT	-	104,020
<b>LNCLF</b>		
Lending	497,853	454,263
Total LNCLF	497,853	454,263
<b>RTCLF</b>		
Lending	180,500	180,500
City of Bethlehem Fund	641,851	485,852
Truist	-	5,000
Century Fund	37,751	65,192
Lehigh University	163,699	
Community Development Financial Institutions Fund	232,941	
Lehigh County CHIRP	-	4,169,270
Northampton County CHIRP	-	3,444,963
Total RTCLF	<u>1,256,742</u>	<u>8,350,777</u>
Total Restricted Cash	<u>\$ 2,850,108</u>	<u>\$ 12,983,492</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 5 PROMISES TO GIVE**

**Unconditional Promises to Give**

Contributions arising from unconditional promises to give consist of the following:

	<u>2022</u>	<u>2021</u>
<b>CACLV</b>		
Donor Restricted for Program Costs and Facilities and Equipment	\$ 15,628	\$ 36,793
<b>CACLV</b>		
Donor Restricted for Program Costs	250,000	-
Less: Allowance for Pledges Receivable	500	500
Less: Discounts for Pledges Receivable	334	777
Total	<u>\$ 264,794</u>	<u>\$ 35,516</u>

Unconditional promises to give are expected to be realized as follows:

	<u>2022</u>	<u>2021</u>
Less than One Year	\$ 264,794	\$ 24,291
One to Five Years	-	11,225
Total	<u>\$ 264,794</u>	<u>\$ 35,516</u>

**Conditional Promises to Give**

During the year ended June 30, 2022, CACLV and its subsidiaries received conditional pledges for various purposes. Since these pledges represent conditional promise to give, they are not recorded as contribution revenue until donor conditions are met.

CADCA has received conditional pledges from local corporations which have remaining pledge commitments of \$650,000 per year payable over the next four years totaling \$2,600,000 as of June 30, 2022. The pledges are contingent upon future Commonwealth of Pennsylvania tax credits and approvals under its Neighborhood Partnership Program. Pledge payments under the program were \$400,000 and \$650,000 in 2022 and 2021, respectively. Unconditional promises to give related to the pledges were \$250,000 and \$-0- as of June 30, 2022 and 2021, respectively.

During the year ended June 30, 2022, CADCB received conditional pledges from local corporations accumulating to \$325,000 per year over a six year period totaling \$1,950,000. The pledges are contingent upon future Commonwealth of Pennsylvania tax credits, under its Neighborhood Partnership Program. Pledge payments received against these commitments were \$325,000 for the year ended June 30, 2022.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE**

Program loans receivable for RTCLF and LNCRLF are comprised of various extensions of credit to small business owners and entrepreneurs of the community. Repayments are due monthly including interest at rates ranging from 4% to 10%. Interest income received on loans was \$172,564 and \$205,923 for the years ended June 30, 2022 and 2021, respectively.

Original terms range from 18 to 180 months. Loans receivable are reported delinquent when they become 30 days past due. Loans over 90 days past due are considered delinquent for CDFI funding. Loans that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Allowances for loan losses are established by management based on a review of the creditworthiness of the borrower and historical collections.

During 2020, RTCLF began operation of the Northampton County COVID-19 Small Business Emergency Relief Fund. The program loans have an interest rate of 0% and are from \$3,000 and \$15,000 each. The total amount of these loans included in government and corporate grant micro loans for the years ended June 30, 2022 and 2021 is \$38,362 and \$53,500, respectively. The repayment of principal is restricted for lending and program activities.

RTCLF receives grant funding from the City of Bethlehem ("City") to fund loans. The funds must be retained and used to further the loan program on a perpetual basis. All related loans, including accumulated interest and fees, are required to be returned to the City upon request or at the termination of the loan program. As such, the accumulated balance of such activity is maintained as Loans Held for Others on the Statement of Financial Position.

Total accumulated grants and related interest as of June 30, 2022 and 2021 were \$931,108 and \$922,668, respectively. These accumulated grants and interest have been reported as noncurrent liabilities as there is no current expectation that the funds would be recalled by the City nor that the program would be terminated.

At June 30, 2022, the \$931,108 was physically comprised of \$289,257 of outstanding loans and \$641,851 of restricted cash as included in Note 4. As of June 30, 2021, the \$922,668 was physically comprised of \$436,817 of outstanding loans and \$485,852 of restricted cash as included in Note 4.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

Aggregate loans receivable at June 30 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Micro Loans:		
CDFI Funds	\$ 133,463	\$ -
LNCRLF	21,275	68,312
Government and Corporate Grants	59,805	82,450
Investor Loan Funds	53,714	147,759
Unrestricted Funds	381,892	404,681
Total Micro Loans	<u>650,149</u>	<u>703,202</u>
Small Business Loans:		
CDFI Funds	369,031	-
Government and Corporate Grants	267,814	407,866
Investor Loan Funds	201,671	305,619
Unrestricted Funds	392,952	991,121
Total Small Business Loans	<u>1,231,468</u>	<u>1,704,606</u>
Total Loans Outstanding	1,881,617	2,407,808
Loss Reserve	(123,913)	(143,000)
Total Aggregate Loans Receivable	<u>\$ 1,757,704</u>	<u>\$ 2,264,808</u>

Scheduled annual maturities of term loans receivable at June 30, 2022 are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2023	\$ 69,754
2024	23,651
2025	61,138
2026	365,595
2027	503,930
Thereafter	857,549
Total	<u>\$ 1,881,617</u>

The Organizations have an established a methodology to determine the adequacy of the allowance for loan losses that assesses the risks and losses inherent in the Organization's portfolios. For purposes of determining the allowance for loan losses, the Organizations segment loans in their portfolios by product type. The Organization's loans are segmented into the following pools: Micro Loans and Small Business Loans. Each class of loan requires judgment to determine the estimation method that fits the credit risk characteristics of its portfolio segment.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

The following are the factors the Organizations use to determine the balance of the allowance account for each class of loans.

**Micro Loans and Small Business Loans**

Micro loans and small business loans are evaluated collectively to determine a loss percentage to apply to loans. Loss percentages vary between classes. These loss percentages are based on historical loss experience. For the years ended June 30, 2022 and 2021 the loss percentage used for small business and micro loans was 4%-10%, for both years when evaluated collectively. The Organizations consider the allowance for loan losses of \$123,913 and \$143,000 adequate to cover loan losses inherent in the loan portfolios, as of June 30, 2022 and 2021, respectively. The following table presents by portfolio segment, the changes in the allowance for loan losses and the recorded investment in loans.

LNCRLF micro loans are federally funded and pose no risk of loss. Loans are still collectively evaluated for impairment but any write off will be charged directly to the Fund so there is no risk of loss and no allowance recognized. The balance of LNCRLF federally funded loans collectively evaluated for impairment as of June 30, 2022 and 2021 was \$21,575 and \$68,313, respectively.

<u>Year Ended June 30, 2022</u>	<u>Micro Loans</u>	<u>Small Business Loans</u>	<u>Total</u>
Loan Loss Reserve:			
Beginning Balance	\$ 45,529	\$ 97,471	\$ 143,000
Charge-Offs	(36,120)	-	(36,120)
Recoveries	-	6,100	6,100
Provision	28,322	(17,389)	10,933
Ending Balances	<u>\$ 37,731</u>	<u>\$ 86,182</u>	<u>\$ 123,913</u>
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 15,112	\$ -	\$ 15,112
Collectively	48,817	59,984	108,801
Total	<u>\$ 63,929</u>	<u>\$ 59,984</u>	<u>\$ 123,913</u>
Program Loans Receivables:			
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 87,681	\$ -	\$ 87,681
Collectively	541,193	1,231,468	1,772,661
Total	<u>\$ 628,874</u>	<u>\$ 1,231,468</u>	<u>\$ 1,860,342</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

Micro Loans and Small Business Loans (Continued)

<u>Year Ended June 30, 2021</u>	<u>Micro Loans</u>	<u>Small Business Loans</u>	<u>Total</u>
Loan Loss Reserve:			
Beginning Balance	\$ 185,281	\$ 125,019	\$ 310,300
Charge-Offs	(17,057)	(87,812)	(104,869)
Recoveries	3,000	-	3,000
Provision	(125,695)	60,264	(65,431)
Ending Balances	<u>\$ 45,529</u>	<u>\$ 97,471</u>	<u>\$ 143,000</u>
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 7,230	\$ -	\$ 7,230
Collectively	38,299	97,471	135,770
Total	<u>\$ 45,529</u>	<u>\$ 97,471</u>	<u>\$ 143,000</u>
Program Loans Receivables:			
Ending Balances:			
Evaluated for Impairment:			
Individually	\$ 48,947	\$ 84,484	\$ 133,431
Collectively	654,255	1,620,122	2,274,377
Total	<u>\$ 703,202</u>	<u>\$ 1,704,606</u>	<u>\$ 2,407,808</u>

Credit Quality Information:

The following tables present the classes of the loan portfolio summarized by aggregate unclassified rating (loans not considered greater than normal risk) and classified ratings of substandard (well defined weakness) and doubtful (unlikely to be paid in full) within the Organization's internal risk rating system as of June 30.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

Micro Loans and Small Business Loans (Continued)

<u>2022</u>	<u>Unclassified</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Micro Loans:				
CDFI Funds	\$ -	\$ 133,463	\$ -	\$ 133,463
LNCRLF	21,275	-	-	21,275
Government and				
Corporate Grants	21,443	15,792	22,571	59,806
Investor Loan Funds	34,609	19,105	-	53,714
Unrestricted Funds	200,427	116,354	65,111	381,892
Small Business Loans:				
CDFI Funds	-	369,031	-	369,031
Government and				
Corporate Grants	267,814	-	-	267,814
Investor Loan Funds	175,810	25,861	-	201,671
Unrestricted Funds	388,973	3,979	-	392,952
Total	<u>\$ 1,110,351</u>	<u>\$ 683,585</u>	<u>\$ 87,682</u>	<u>\$ 1,881,618</u>
<u>2021</u>	<u>Unclassified</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Micro Loans:				
LNCRLF	\$ 68,312	\$ -	\$ -	\$ 68,312
Government and				
Corporate Grants	34,450	24,000	24,000	82,450
Investor Loan Funds	125,654	-	22,105	147,759
Unrestricted Funds	312,492	50,462	41,727	404,681
Small Business Loans:				
Government and				
Corporate Grants	407,866	-	-	407,866
Investor Loan Funds	247,794	57,825	-	305,619
Unrestricted Funds	954,608	36,513	-	991,121
Total	<u>\$ 2,151,176</u>	<u>\$ 168,800</u>	<u>\$ 87,832</u>	<u>\$ 2,407,808</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

**Micro Loans and Small Business Loans (Continued)**

Age Analysis of Past Due Financing Receivables by Class:

The following are tables which include an aging analysis of the recorded investment of past due term loans receivables as of June 30.

<u>2022</u>	Current	31-60 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Greater Than 90 Days Past Due	Total Program Loans Receivables
Micro Loans:						
CDFI Funds	\$ 48,518	\$ 84,945	\$ -	\$ -	\$ -	\$ 133,463
LNCRLF	21,275	-	-	-	-	21,275
Government and Corporate Grants	47,805	12,000	-	-	-	59,806
Investor Loan Funds	34,609	-	-	-	19,105	53,714
Unrestricted Funds	343,334	2,236	11,801	-	24,521	381,892
Small Business Loans:						
CDFI Funds	369,031	-	-	-	-	369,031
Government and Corporate Grants	267,814	-	-	-	-	267,814
Investor Loan Funds	201,671	-	-	-	-	201,671
Unrestricted Funds	318,122	74,830	-	-	-	392,952
Total	<u>\$ 1,652,179</u>	<u>\$ 174,011</u>	<u>\$ 11,801</u>	<u>\$ -</u>	<u>\$ 43,626</u>	<u>\$ 1,881,618</u>

<u>2021</u>	Current	0-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Greater Than 90 Days Past Due	Total Program Loans Receivables
Micro Loans:						
LNCRLF	\$ 68,312	\$ -	\$ -	\$ -	\$ -	\$ 68,312
Government and Corporate Grants	70,450	12,000	-	-	-	82,450
Investor Loan Funds	125,654	-	-	-	22,105	147,759
Unrestricted Funds	313,416	71,652	-	19,613	-	404,681
Small Business Loans:						
Government and Corporate Grants	407,866	-	-	-	-	407,866
Investor Loan Funds	295,765	9,854	-	-	-	305,619
Unrestricted Funds	906,637	-	-	84,484	-	991,121
Total	<u>\$ 2,188,100</u>	<u>\$ 93,506</u>	<u>\$ -</u>	<u>\$ 104,097</u>	<u>\$ 22,105</u>	<u>\$ 2,407,808</u>



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 6 PROGRAM AND FORGIVABLE LOANS RECEIVABLE (CONTINUED)**

**Micro Loans and Small Business Loans (Continued)**

Forgivable loans receivable consist of loans given under the Allentown Retail Mosaic Self-Forgiving Loan Program. The loans contain terms that allow the loans to be completely forgiven after five years have passed and the borrower has met certain conditions including job creation provisions. Due to the nature of the loans, the loans have been completely allowed for at loan inception and the related expense included in program costs. Total forgivable loans outstanding as of June 30, 2022 and 2021 are \$45,000 and \$45,000, respectively. The outstanding loans are scheduled to mature at \$15,000 each year for the years ended June 30, 2023, 2024 and 2026.

**NOTE 7 FOOD BANK INVENTORY**

Food bank inventory consists of both donated and purchased food. The approximate average wholesale value of one pound of donated food is estimated at \$1.79 and \$1.79 in 2022 and 2021, respectively, based upon amounts provided by Feeding America (formerly named America's Second Harvest). For 2022 and 2021, USDA and CSFP-TEFAP were valued at the USDA commodity's price list and State food was valued at the purchase price which is valued by the State commodity's price list or the identified donated value.

The Second Harvest Food Bank is the beneficiary of food contributions from individuals, corporations, and governmental agencies. The total pounds and valuation of food donated during the years ended June 30 is as follows:

2022			
Source	Total Pounds	Value	Valuation Methodology
Federal Donations	3,149,859	\$ 5,432,357	Commodity Price List
Non-Federal Donations	5,236,219	9,565,481	\$1.79 Per Pound
	<u>8,386,078</u>	<u>\$ 14,997,837</u>	
2021			
Source	Total Pounds	Value	Valuation Methodology
Federal Donations	4,088,363	\$ 5,259,627	Commodity Price List
Non-Federal Donations	4,132,688	7,182,724	\$1.79 Per Pound
	<u>8,221,051</u>	<u>\$ 12,442,352</u>	

In addition, the Organization purchases food products to supplement the contributions received. Total amounts expended during the years ended June 30, 2022 and 2021 were \$1,797,785 and \$2,192,416, respectively.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 8 INVESTMENTS**

Investments are stated at fair value and consist of the following as of June 30:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Annuity Contract	\$ -	\$ -	\$ 237,488	\$ 319,683

**NOTE 9 ENDOWMENT**

CACLV's endowment consists of an individual fund established for Second Harvest Food Bank. As of June 30, 2022 and 2021 the Organization has endowment funds of \$5,000.

The Organization has not adopted investment or spending policies for endowment assets. All endowments are considered to be conservatively invested in a bank account.

**NOTE 10 LAND HELD IN TRUST**

LVCLT maintains title to the land underlying the homes and the homeowner mortgages the physical housing structure. LVCLT leases the land to the homeowner at a monthly rate to be determined for a 99-year term. In addition, the Organization retains a right of first refusal to buy back the building.

LVCLT owns 31 lots at June 30, 2022 and 2021, respectively. CACLV and LVCLT sold 0 homes and two homes in 2022 and 2021, respectively.

**NOTE 11 LINES OF CREDIT**

CACLV has a \$2,000,000 revolving line of credit. Interest was at Prime Rate plus 0.75%, with a minimum interest rate of 4.00%. The line is secured by all the assets of the parent organization. The line of credit is renewed annually and currently expires on March 14, 2022. The balance outstanding on the line of credit was \$-0- as of June 30, 2021 and 2020.

LVCLT held a \$500,000 revolving line of credit with an interest rate of 4.25%. The line was secured by the properties owned by LVCLT. The line of credit expired on August 6, 2021 and was not renewed. The balance outstanding on the line of credit was \$0 as of June 30, 2021. .

RTCLF has an unsecured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$100,000 and which requires monthly interest only payments at a fixed rate of 2% on any outstanding balances. As of June 30, 2022 and 2021, the Organization had outstanding borrowings of \$0 and \$100,000, respectively. This line of credit is due on demand with no set expiration date.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 11 LINES OF CREDIT (CONTINUED)**

RTCLF has a secured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$150,000 and which requires monthly interest only payments at a fixed rate of 5% on any outstanding balances. As of June 30, 2022 and 2021, the Organization had no outstanding borrowings on this line of credit. The security on this line of credit is a portion of the Organization's Program Loans Receivable balance. This line of credit is due on demand with no set expiration date.

RTCLF has an unsecured, annually renewable, line of credit agreement with a bank which provides for maximum borrowings of \$150,000 and which requires monthly interest only payments at a fixed rate of 2% on any outstanding balances. As of June 30, 2022 and 2021, the Organization had outstanding borrowings of \$75,000. This line of credit is due on demand with no set expiration date.

**NOTE 12 NOTES PAYABLE**

Long-term debt at June 30 consists of the following:

	<u>2022</u>	<u>2021</u>
<b>CACLV</b>		
Mortgage payable to bank in monthly installments of \$2,537, including interest at 4.150%, due April 12, 2024, secured by real estate.	\$ 51,793	\$ 79,421
Mortgage payable to the City of Allentown in annual installments of \$700 or 50% of excess operating proceeds for the property for the year ended June 30. Payments are due annually beginning August 1, 2016 with the entire payment attributable to principal. The note has 0% interest. After 15 years the loan will be forgiven as long as restriction use requirements are met and CACLV remains the owner.	<u>309,767</u>	<u>312,900</u>
Total Debt, CACLV	361,560	392,321
Less: Current Portion	<u>29,438</u>	<u>30,983</u>
Total Debt, CACLV, Noncurrent Portion	332,122	361,338

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 12 NOTES PAYABLE (CONTINUED)**

	<u>2022</u>	<u>2021</u>
<b>RTCLF</b>		
Loans payable to various banks, interest varies from noninterest bearing to 2.5%. All loan payments are monthly with interest only payments, Final payments are due on demand or in various periods from March 2020 to December 2030.	2,175,000	2,175,000
Loans payable to various individuals, noninterest bearing. Final payments are due in five years from execution date in various periods from August 2021 through October 2024.	<u>135,000</u>	<u>135,000</u>
Total Debt, RTCLF	2,310,000	2,310,000
Less: Current Portion	<u>510,000</u>	<u>125,000</u>
Total Debt, RTCLF, Noncurrent Portion	<u>1,800,000</u>	<u>2,185,000</u>
Total Debt, Noncurrent Portion	<u><u>\$ 2,132,122</u></u>	<u><u>\$ 2,546,338</u></u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30</u>	<u>CACLV</u>	<u>RTCLF</u>	<u>Total</u>
2023	\$ 29,438	\$ 510,000	\$ 539,438
2024	23,755	1,160,000	1,183,755
2025	700	190,000	190,700
2026	700	-	700
2027	700	50,000	50,700
Thereafter	306,267	400,000	706,267
Total	<u><u>\$ 361,560</u></u>	<u><u>\$ 2,310,000</u></u>	<u><u>\$ 2,671,560</u></u>

Interest expense on debt for the Organization was \$50,554 and \$43,125 for the years ended June 30, 2022 and 2021, respectively.

The long-term debt is subject to several financial covenants, including a loan loss reserve of not less than 7% on the Well Fargo loan balance and a ratio of net assets to total assets of at least .33 to 1. As of June 30, 2022, the Organization was in compliance with these covenants.

**NOTE 13 REFUNDABLE ADVANCES**

The Organization receives funds under cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Funds received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Refundable advances as of June 30 are shown in the table below.

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 13 REFUNDABLE ADVANCES (CONTINUED)**

	<u>2022</u>	<u>2021</u>
<b>CACLV</b>		
Lehigh County Emergency Rental Assistance Program	\$ 1,050,483	\$ 3,972,324
Second Harvest Food Bank	808,369	963,797
Community Action Better Homes	<u>258,612</u>	<u>278,826</u>
Total CACLV	2,117,464	5,214,947
<b>RTCLF</b>		
Lehigh County COVID-19 Hospitality Recovery Program	-	4,183,030
Northampton County COVID-19 Hospitality Recovery Program	-	3,457,769
Other	<u>232,941</u>	<u>71,298</u>
Total RTCLF	<u>232,941</u>	<u>7,712,097</u>
Total Refundable Advances	<u><u>\$ 2,350,405</u></u>	<u><u>\$ 12,927,044</u></u>

CACLV was granted a \$1,038,505 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. CACLV initially recorded the loan as a refundable advance and has recorded the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if CACLV maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. The loan was fully forgiven May 26, 2021 and is included in government grant revenue on the Consolidated Statement of Activities for the year ended June 30, 2021.

**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions, including assets that were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors, for the years ended June 30 are as follows:

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

	<u>2022</u>	<u>2021</u> (As Restated)
<i>Subject to Expenditure for Specific Purpose:</i>		
<b>CACLV</b>		
Specific Program Operation	\$ 341,770	\$ 308,323
Second Harvest Food Bank Operations	5,707,527	5,701,136
Second Harvest Food Bank Building and Equipment	-	46,799
Total CACLV	<u>6,049,297</u>	<u>6,056,258</u>
<b>CADCA</b>		
Specific Program Operation	-	18,000
Neighborhood Assistance Program	256,912	345,018
Total CADCA	<u>256,912</u>	<u>363,018</u>
<b>CADCB</b>		
Neighborhood Assistance Program	253,279	50,420
Bethlehem Commercial Rent Subsidy Program	-	50,000
Friendship Park	41,990	-
Keystone Communities	30,000	-
Other Programs	-	9,000
Total CADCB	<u>325,269</u>	<u>109,420</u>
<b>LVCLT</b>		
Property Development	-	104,020
Total LVCLT	<u>-</u>	<u>104,020</u>
<b>RTCLF</b>		
Northampton County Revolving Loan Fund	250,000	250,000
Other Programs	48,808	72,809
Total RTCLF	<u>298,808</u>	<u>322,809</u>
<b>LNCRLF</b>		
Revolving Loan Fund	518,330	521,446
Total LNCRLF	<u>518,330</u>	<u>521,446</u>
<i>Endowments Not Subject to Spending Policy or Appropriation:</i>		
<b>CACLV</b>		
Second Harvest Food Bank Perpetual Trust	5,000	5,000
Total CACLV	<u>5,000</u>	<u>5,000</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 7,453,616</u></u>	<u><u>\$ 7,481,971</u></u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

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

	<u>2022</u>	<u>2021</u>
<i>Satisfaction of Purpose Restriction:</i>		
<b>CACLV</b>		
Specific Program Operation	\$ 1,613,878	\$ 1,273,774
Second Harvest Food Bank Operations	3,027,787	1,686,747
Second Harvest Food Bank Building and Equipment	<u>46,800</u>	<u>47,275</u>
Total CACLV	4,688,465	3,007,796
<b>CADCA</b>		
Specific Program Operation	18,000	77,645
Neighborhood Assistance Program	<u>738,106</u>	<u>647,492</u>
Total CADCA	756,106	725,137
<b>CADCB</b>		
Neighborhood Assistance Program	122,141	164,881
Bethlehem Commercial Rent Subsidy Program	50,000	
Friendship Park	8,010	-
Other Programs	9,000	-
COVID-19 Support	<u>-</u>	<u>985</u>
Total CADCB	189,151	165,866
<b>LVCLT</b>		
Other Programs	<u>104,020</u>	<u>-</u>
	104,020	-
<b>RTCLF</b>		
COVID-19 Small Business, Loan Loss, and Debt Relief	7,640,799	438,384
Other Programs	<u>32,441</u>	<u>3,272</u>
Total RTCLF	7,673,240	441,656
<b>LNCRLF</b>		
Revolving Loan Fund	<u>5,465</u>	<u>6,481</u>
Total LNCRLF	5,465	6,481
Total Released from Donor Restrictions	<u><u>\$ 13,416,447</u></u>	<u><u>\$ 4,346,936</u></u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 15 NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restriction that have a defined use or purpose as defined by the Organization's Board of Directors are Board designated net assets. Board designation of net assets does not imply donor restriction and the defined use may be changed by board action. Board designated net assets of the Organization relate to the following:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 13,524,162	\$ 13,444,646
Board Designated for:		
Capital Reserve (CACLV)	250,000	250,000
Operating Reserve (CACLV)	250,000	250,000
Endowment (RTCLF)	10,005	10,005
Total	<u>\$ 14,034,167</u>	<u>\$ 13,954,651</u>

**NOTE 16 RETIREMENT PLAN**

The Organization has a defined contribution retirement plan which covers all employees having one year of service. The Plan provides for participants' pretax contributions to the Plan up to limits defined in Section 401 (k) of the Internal Revenue Code. Under the Plan, the Organization is required to make plan contributions in an amount equal to 7% of eligible participants' compensation.

The Organization's contributions to the Plan were \$223,109 and \$192,225 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 17 FUNCTIONALIZED EXPENSES**

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, interest, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 18 LEASE COMMITMENT**

CACLV and its subsidiaries lease facilities (including program space), parking space and transportation and office equipment under various operating lease agreements. Rent expense under these agreements was \$90,087 and \$92,435 in 2022 and 2021, respectively. Future lease commitments are as follows:

<u>Year Ended June 30</u>	<u>CACLV</u>
2023	\$ 85,983
2024	76,008
2025	55,204
2026	12,745
Thereafter	164
Total	<u>\$ 230,104</u>

**NOTE 19 CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in various bank deposit accounts which at times exceeds the federal insured limits. The financial institutions are considered high quality and the Organization has not experienced any losses in such accounts.

The Organization receives a substantial portion of its support in the form of annual grants from federal, state, and local governmental agencies. This support is dependent on the Organization's continued qualifications for such funding, together with the amounts available to the governmental sources. Accordingly, reductions in this support could have a significant impact on the Organization's operations.

**NOTE 20 FAIR VALUE MEASUREMENTS**

The estimated fair value of the Organization's financial instruments measured on a recurring basis as of June 30 are as follows:

	<u>2022</u>		<u>2021</u>	
	Fair Value	Valuation (Level 3)	Fair Value	Valuation (Level 3)
Annuity Contract	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,683</u>	<u>\$ 319,683</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 20 FAIR VALUE MEASUREMENTS (CONTINUED)**

The change in the Organization's financial instrument measured on a recurring basis as of June 30 is as follows:

	Balance June 30, 2021	Unrealized Gain (Loss)	Distributions	Balance June 30, 2022
Annuity Contract	<u>\$ 319,683</u>	<u>\$ -</u>	<u>\$ (319,683)</u>	<u>\$ -</u>

	Balance June 30, 2020	Unrealized Gain (Loss)	Additions	Balance June 30, 2021
Annuity Contract	<u>\$ 208,477</u>	<u>\$ 83,647</u>	<u>\$ 27,559</u>	<u>\$ 319,683</u>

Level 3 are assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**NOTE 21 SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 18, 2023, the date the consolidated financial statements were available to be issued. No events or transactions have occurred subsequent to year end that require recognition or disclosure in the consolidated financial statements.

**NOTE 22 PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2022, the Organization has identified that certain grants received in prior years, and as more fully described in Note 6, are required to be returned to the donor upon conclusion of the program or upon the donor's request. As such, the accumulation of such funding has been reported as Loans Held for Others on the Statement of Financial Position. The effect of this correction was to decrease net assets with donor restrictions as of July 1, 2020 by \$911,690, decrease the change in net assets for the year ended June 30, 2021 by \$10,978 and increase Loans Held for Others as of June 30, 2021 by \$922,668.

In addition, the prior period consolidated financial statements have reclassified the amounts previously reported as Donated Food Products on the Statement of Activities so that the balance now only reflects the actual donated inventory during the fiscal year. The effect of this reclassification is as follows:

	As Previously Reported	Adjustment	As Reclassed
Donated Food Products	\$ 14,712,860	\$ (2,270,508)	\$ 12,442,352
Food Distributions	13,778,368	(78,092)	13,700,276
Food Purchases	2,192,416	(2,192,416)	-

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

ASSETS	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2022	2021 (As Restated)
<b>CURRENT ASSETS</b>									
Cash and Cash Equivalents	\$ 7,781,190	\$ 247,066	\$ 547,939	\$ 86,653	\$ 2,829,279	\$ -	\$ -	\$ 11,492,127	\$ 12,195,205
Restricted Cash	1,095,513	-	-	-	1,256,742	497,853	-	2,850,108	12,983,492
Grant Receivable	2,314,267	-	7,348	-	4,250	-	-	2,325,865	1,787,983
Unconditional Promises to Give	14,794	250,000	-	-	-	-	-	264,794	24,291
Accounts Receivable, Subsidiaries	89,908	50,860	54,523	-	44,472	-	(239,763)	-	-
Program Loans Receivable, Net of 2022 Reserves of \$123,913	-	-	-	-	48,479	21,275	-	69,754	592,792
Inventory	2,045,638	-	-	-	-	-	-	2,045,638	1,897,039
Property Inventory, Net of 2022 Reserves of \$482,000	565,383	-	-	-	-	-	-	565,383	497,642
Prepaid Expenses	306,765	-	850	-	53,000	-	-	360,615	290,807
Total Current Assets	14,213,458	547,926	610,660	86,653	4,236,222	519,128	(239,763)	19,974,284	30,269,251
<b>PROPERTY AND EQUIPMENT, NET</b>	6,573,093	-	-	329,547	19,741			6,922,381	7,293,056
<b>OTHER ASSETS</b>									
Unconditional Promises to Give	-	-	-	-	-	-	-	-	11,225
Investments	-	-	-	-	-	-	-	-	319,683
Program Loans Receivable, Net of Current Portion	-	-	-	-	1,687,950	-	-	1,687,950	1,672,016
Total Other Assets	-	-	-	-	1,687,950	-	-	1,687,950	2,002,924
Total Assets	<u>\$ 20,786,551</u>	<u>\$ 547,926</u>	<u>\$ 610,660</u>	<u>\$ 416,200</u>	<u>\$ 5,943,913</u>	<u>\$ 519,128</u>	<u>\$ (239,763)</u>	<u>\$ 28,584,615</u>	<u>\$ 39,565,231</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

LIABILITIES AND NET ASSETS	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2022	2021 (As Restated)
<b>CURRENT LIABILITIES</b>									
Current Portion of Long-Term Debt	\$ 29,438	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ -	\$ 539,438	\$ 155,983
Line of Credit	-	-	-	-	75,000	-	-	75,000	100,000
Accounts Payable	506,341	30,346	1,779	-	5,262	-	-	543,728	530,477
Accounts Payable, Subsidiaries	149,854	33,742	42,793	632	11,944	798	(239,763)	-	-
Accrued Expenses	67,942	5,292	6,115	-	7,250	-	-	86,599	132,869
Accrued Interest	-	-	-	-	9,875	-	-	9,875	9,875
Accrued Wages	267,407	5,772	7,492	-	3,705	-	-	284,376	542,612
Compensated Absences	128,802	3,490	4,217	-	4,042	-	-	140,551	132,108
Refundable Advances	2,117,464	-	-	-	232,941	-	-	2,350,405	12,927,044
Custodial Funds	3,630	-	-	-	-	-	-	3,630	53,635
Total Current Liabilities	3,270,878	78,642	62,396	632	860,019	798	(239,763)	4,033,602	14,584,603
<b>NONCURRENT LIABILITIES</b>									
Long-Term Debt, Less									
Current Maturities	332,122	-	-	-	1,800,000	-	-	2,132,122	2,621,338
Loans Held for Others	-	-	-	-	931,108	-	-	931,108	922,668
Total Noncurrent Liabilities	332,122	-	-	-	2,731,108	-	-	3,063,230	3,544,006
Total Liabilities	3,603,000	78,642	62,396	632	3,591,127	798	(239,763)	7,096,832	18,128,609
<b>NET ASSETS</b>									
Without Donor Restrictions									
Undesignated	10,619,249	212,372	222,995	415,568	2,053,978	-	-	13,524,162	13,444,646
Board Designated	510,005	-	-	-	-	-	-	510,005	510,005
With Donor Restrictions	6,054,297	256,912	325,269	-	298,808	518,330	-	7,453,616	7,481,971
Total Net Assets	17,183,551	469,284	548,264	415,568	2,352,786	518,330	-	21,487,783	21,436,622
Total Liabilities and Net Assets	<u>\$ 20,786,551</u>	<u>\$ 547,926</u>	<u>\$ 610,660</u>	<u>\$ 416,200</u>	<u>\$ 5,943,913</u>	<u>\$ 519,128</u>	<u>\$ (239,763)</u>	<u>\$ 28,584,615</u>	<u>\$ 39,565,231</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2022	2021
									(As Restated)
<b>REVENUE AND SUPPORT</b>									
<b>WITHOUT DONOR</b>									
<b>RESTRICTIONS</b>									
Contributions and Grants, Private	\$ 1,962,295	\$ 41,515	\$ 710	\$ 500	\$ 77,657	\$ -	\$ -	\$ 2,082,677	\$ 1,375,897
Grants. Government	29,315,899	192,157	411,562	-	912,459	-	(555,998)	30,276,079	14,871,668
Donated Food Products	14,997,837	-	-	-	-	-	-	14,997,837	12,442,352
Shared Maintenance Fee	77,519	-	-	-	-	-	-	77,519	131,080
Program Services	1,910,723	-	-	13,227	180,874	-	(343,026)	1,761,798	1,930,222
Other Income	-	-	-	-	-	-	-	-	20,760
Interest Income	4,483	-	-	-	-	-	-	4,483	202,986
Total	48,268,756	233,672	412,272	13,727	1,170,990	-	(899,024)	49,200,393	30,974,965
<b>NET ASSETS RELEASED</b>									
<b>FROM RESTRICTIONS</b>									
For Program Operations	4,641,665	756,106	189,151	104,020	7,673,240	5,465	-	13,369,647	4,299,661
For Capital Additions	46,800	-	-	-	-	-	-	46,800	47,275
Total	4,688,465	756,106	189,151	104,020	7,673,240	5,465	-	13,416,447	4,346,936
Total Revenue and Support	52,957,221	989,778	601,423	117,747	8,844,230	5,465	(899,024)	62,616,840	35,321,901
<b>EXPENSES</b>									
Program	50,071,878	888,229	500,729	111,148	8,075,184	4,241	(684,213)	58,967,196	31,778,258
Supporting Services:									
Management and General	2,969,995	38,229	38,559	25	93,557	1,224	(157,584)	2,984,005	3,134,005
Fundraising	575,642	23,828	27,075	-	6,324	-	(57,227)	575,642	622,887
Total Expenses	53,617,515	950,286	566,363	111,173	8,175,065	5,465	(899,024)	62,526,843	35,535,150
(Gain) Loss on Sale of Homes	6,796	-	-	3,685	-	-	-	10,481	(787)
Total	53,624,311	950,286	566,363	114,858	8,175,065	5,465	(899,024)	62,537,324	35,534,363
<b>CHANGES IN NET ASSETS</b>									
<b>WITHOUT DONOR</b>									
<b>RESTRICTIONS</b>									
	(667,090)	39,492	35,060	2,889	669,165	-	-	79,516	(212,462)
<b>WITHOUT DONOR</b>									
<b>RESTRICTIONS</b>									
Net Assets - Beginning of Year	11,796,344	172,880	187,935	412,679	1,384,813	-	-	13,954,651	11,896,605
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 11,129,254</u>	<u>\$ 212,372</u>	<u>\$ 222,995</u>	<u>\$ 415,568</u>	<u>\$ 2,053,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,034,167</u>	<u>\$ 11,684,143</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

	CACLV	CADCA	CADCB	LVCLT	RTCLF	LNCRLF	Eliminations	Total	
								2022	2021
<b>REVENUE AND SUPPORT WITH DONOR RESTRICTIONS</b>									
Contributions and Grants, Private	\$ 2,747,039	\$ 650,000	\$ 405,000	\$ -	\$ -	\$ -	\$ -	\$ 3,802,039	\$ 9,213,973
Grants. Government	1,934,465	-	-	-	7,649,239	-	-	9,583,704	-
Interest Income	-	-	-	-	-	2,349	-	2,349	5,245
Total	4,681,504	650,000	405,000	-	7,649,239	2,349	-	13,388,092	9,219,218
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>									
For Program Operations	(4,641,665)	(756,106)	(189,151)	(104,020)	(7,673,240)	(5,465)	-	(13,369,647)	(4,299,661)
For Capital Additions	(46,800)	-	-	-	-	-	-	(46,800)	(47,275)
Total	(4,688,465)	(756,106)	(189,151)	(104,020)	(7,673,240)	(5,465)	-	(13,416,447)	(4,346,936)
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>									
	(6,961)	(106,106)	215,849	(104,020)	(24,001)	(3,116)	-	(28,355)	4,872,282
<b>WITH DONOR RESTRICTIONS</b>									
Net Assets - Beginning of Year	6,061,258	363,018	109,420	104,020	322,809	521,446	-	7,481,971	2,609,689
<b>NET ASSETS - END OF YEAR</b>	6,054,297	256,912	325,269	-	298,808	518,330	-	7,453,616	7,481,971
<b>TOTAL CHANGE NET ASSETS</b>	<u>\$ (674,051)</u>	<u>\$ (66,614)</u>	<u>\$ 250,909</u>	<u>\$ (101,131)</u>	<u>\$ 645,164</u>	<u>\$ (3,116)</u>	<u>\$ -</u>	<u>\$ 51,161</u>	<u>\$ 4,659,820</u>

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2022	2021
PROGRAM EXPENSES									
PERSONNEL									
Salaries and Wages	\$ 2,587,617	\$ 111,193	\$ 181,005	\$ -	\$ 198,386	\$ 796	\$ -	\$ 3,078,997	\$ 2,540,390
Employee Benefits/Payroll Taxes	1,148,662	53,427	91,412	-	103,054	297	-	1,396,852	1,223,303
Conferences and Training	18,960	3,768	930	-	122	-	-	23,780	18,067
Travel	23,670	1,690	80	-	605	-	-	26,045	15,219
Total Personnel	3,778,909	170,078	273,427	-	302,167	1,093	-	4,525,674	3,796,979
OTHER									
Advertising and Promotion	49,268	673	3,014	-	29,681	-	-	82,636	411
Computer Tech Support	-	60	94	-	2,657	-	-	2,811	1,442
Contracted Services/Assistance	24,328,720	-	-	-	-	-	-	24,328,720	6,910,475
Depreciation	380,018	386	-	-	3,494	-	-	383,898	335,080
Dues and Subscriptions	35,333	3,335	175	-	12,345	-	-	51,188	44,385
Equipment Maintenance and Repairs	152,860	5,660	3,522	-	-	74	-	162,116	103,840
Facility Maintenance and Utilities	189,986	-	-	-	-	-	-	189,986	191,026
Food Distributions	16,670,648	-	-	-	-	-	-	16,670,648	13,700,276
Grants	-	-	175,527	-	7,535,299	-	-	7,710,826	107,348
Insurance	76,478	897	688	6,436	797	-	-	85,296	74,985
Interest	-	-	-	-	47,738	-	-	47,738	39,173
Provision for (recovery of) Loan Losses	-	-	-	-	10,933	-	-	10,933	(65,431)
Management Fees	-	2,735	5,772	-	116,634	3,074	(128,215)	-	-
Minor Equipment Purchase	277,623	-	-	-	506	-	-	278,129	58,603
Miscellaneous	49,376	5,156	1,200	160	4,145	-	-	60,037	47,542
Occupancy	-	24,423	20,727	-	-	-	-	45,150	36,206
Payroll Processing Fees	-	-	-	-	1,140	-	-	1,140	1,691
Postage	43,376	352	4	-	721	-	-	44,453	26,996
Printing	51,261	518	221	-	625	-	-	52,625	11,002
Professional Fees	1,911,487	268	5,475	532	4,137	-	-	1,921,899	2,041,221
Program Contract Costs and Supplies	-	660,069	-	104,020	-	-	-	764,089	679,100
Project Cost Loss Reserve	348,000	-	-	-	-	-	-	348,000	72,000
Subgrantee Payments	555,998	-	-	-	-	-	(555,998)	-	148,727
Supplies	802,401	2,280	1,393	-	445	-	-	806,519	823,017
Telephone	65,897	11,339	9,490	-	1,720	-	-	88,446	73,817
Utilities	132,757	-	-	-	-	-	-	132,757	143,221
Vehicle Operation and Repairs	171,482	-	-	-	-	-	-	171,482	104,618
Total Other	46,292,969	718,151	227,302	111,148	7,773,017	3,148	(684,213)	54,441,522	25,710,771
Total Program Expenses	\$ 50,071,878	\$ 888,229	\$ 500,729	\$ 111,148	\$ 8,075,184	\$ 4,241	\$ (684,213)	\$ 58,967,196	\$ 29,507,750

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LNCRLF	Eliminations	Total	
								2022	2021
MANAGEMENT AND GENERAL EXPENSES									
PERSONNEL									
Salaries and Wages	\$ 1,488,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,488,360	\$ 1,401,431
Employee Benefits/Payroll Taxes	635,651	-	-	-	-	-	-	635,651	624,888
Conferences and Training	42,177	-	-	-	-	-	-	42,177	9,645
Travel	11,300	-	-	-	-	-	-	11,300	4,991
Total Personnel	2,177,488	-	-	-	-	-	-	2,177,488	2,040,955
OTHER									
Advertising and promotion	6,682							6,682	-
Bad Debt Expense	23,561	-	-	-	-	1,376	-	24,937	52,701
Contracted Services/Assistance	81,330	-	-	-	-	-	-	81,330	315,968
Depreciation	111,349	-	-	-	-	-	-	111,349	108,474
Dues and Subscriptions	33,425	-	-	25	-	-	-	33,450	25,948
Equipment Maintenance and Repairs	10,078	-	-	-	-	-	-	10,078	9,142
Facility Maintenance and Utilities	70,429	-	-	-	-	-	-	70,429	95,622
Insurance	63,412	-	-	-	-	-	-	63,412	54,211
Interest	2,816	-	-	-	-	-	-	2,816	3,952
Management Fees	-	32,968	38,559	-	86,057	-	(157,584)	-	-
Minor Equipment Purchase	21,624	-	-	-	-	-	-	21,624	100,568
Miscellaneous	26,148	11	-	-	-	-	-	26,159	21,886
Postage	-	-	-	-	-	-	-	-	4,401
Printing	-	-	-	-	-	-	-	-	969
Professional Fees	243,304	5,250	-	-	7,500	(152)	-	255,902	226,935
Supplies	17,753	-	-	-	-	-	-	17,753	26,800
Telephone	49,731	-	-	-	-	-	-	49,731	45,435
Utilities	28,276	-	-	-	-	-	-	28,276	-
Vehicle Operation and Repairs	2,589	-	-	-	-	-	-	2,589	38
Total Other	792,507	38,229	38,559	25	93,557	1,224	(157,584)	806,517	1,093,050
Total Management and General Expenses	\$ 2,969,995	\$ 38,229	\$ 38,559	\$ 25	\$ 93,557	\$ 1,224	\$ (157,584)	\$ 2,984,005	\$ 3,134,005



**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(WITH SUMMARIZED TOTALS FOR JUNE 30, 2021)**

	CACLV	CADCA	CADCB	LVCLT	RTCLT	LCNRLF	Eliminations	Total	
								2022	2021
<b>FUNDRAISING EXPENSES</b>									
<b>PERSONNEL</b>									
Salaries and Wages	\$ 339,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,471	\$ 283,396
Employee Benefits/Payroll Taxes	139,683	-	-	-	-	-	-	139,683	127,389
Conferences and Training	-	-	-	-	-	-	-	-	2,032
Travel	-	-	-	-	-	-	-	-	1,475
Total Personnel	479,154	-	-	-	-	-	-	479,154	414,292
<b>OTHER</b>									
Dues and Subscriptions	-	-	-	-	-	-	-	-	8,432
Equipment Maintenance and Repairs	-	-	-	-	-	-	-	-	22,373
Management Fees	-	23,828	27,075	-	6,324	-	(57,227)	-	-
Other Expense	-	-	-	-	-	-	-	-	9,317
Postage	11,097	-	-	-	-	-	-	11,097	27,254
Printing	85,391	-	-	-	-	-	-	85,391	74,204
Supplies	-	-	-	-	-	-	-	-	51,880
Telephone	-	-	-	-	-	-	-	-	15,135
Total Other	96,488	23,828	27,075	-	6,324	-	(57,227)	96,488	208,595
Total Fundraising Expenses	575,642	23,828	27,075	-	6,324	-	(57,227)	575,642	622,887
Total Functional Expenses	\$ 53,617,515	\$ 950,286	\$ 566,363	\$ 111,173	\$ 8,175,065	\$ 5,465	\$ (899,024)	\$ 62,526,843	\$ 33,264,642

**COMMUNITY ACTION COMMITTEE  
OF THE LEHIGH VALLEY, INC. AND SUBSIDIARIES  
PARENT COMPANY'S STATEMENT OF PROGRAM EXPENSES  
YEAR ENDED JUNE 30, 2022**

<b>PROGRAM EXPENSES</b>	<b>Weatherization Program</b>	<b>Sixth Street Shelter</b>	<b>Second Harvest Food Bank</b>	<b>Housing Counseling Program</b>	<b>Community Action Homes</b>	<b>Custody Subcontractor</b>	<b>Racial and Ethnic Justice Program</b>	<b>Slate Belt Rising</b>	<b>Total Program</b>
<b>PERSONNEL</b>									
Salaries and Wages	\$ 401,150	\$ 367,066	\$ 1,081,447	\$ 217,458	\$ 208,053	\$ -	\$ 262,758	\$ 49,685	\$ 2,587,617
Employee Benefits/Payroll Taxes	216,605	124,068	503,018	87,779	73,785	-	118,146	25,261	1,148,662
Conferences and Training	65	561	10,773	145	164	302	6,950	-	18,960
Travel	524	273	11,794	566	7,806	12	2,671	24	23,670
Total Personnel	618,344	491,968	1,607,032	305,948	289,808	314	390,525	74,970	3,778,909
<b>OTHER</b>									
Advertising and promotion	-	4,431	32,638	1,275	990	1,167	8,084	683	49,268
Contracted Services	120	121,872	216,320	(1,125)	648,620	23,135,360	44,596	162,957	24,328,720
Depreciation	9,723	83,828	283,435	3,032	-	-	-	-	380,018
Dues and subscriptions	1,093	989	23,130	5,425	1,736	52	2,908	-	35,333
Equipment maintenance	2,305	4,877	140,739	3,452	190	9	1,207	81	152,860
Facility maintenance	-	100,525	89,461	-	-	-	-	-	189,986
Food distributions	-	-	16,670,648	-	-	-	-	-	16,670,648
Insurance	21,244	20,661	28,081	3,371	1,087	-	1,970	64	76,478
Minor equipment purchase	3,244	1,909	26,710	5,770	1,784	235,524	1,821	861	277,623
Other expenses	-	3,480	37,319	17	63	8,151	346	-	49,376
Postage	1,457	4,386	36,601	604	204	13	108	3	43,376
Printing	-	24,571	25,024	220	126	130	1,140	50	51,261
Professional fees	1,523,881	12,727	257,011	96	2,463	87,279	28,030	-	1,911,487
Project loss reserve	-	-	-	-	348,000	-	-	-	348,000
Supplies	563,950	41,189	180,132	388	1,158	6,052	9,532	-	802,401
Telephone	6,759	26,421	22,459	-	3,064	2,193	4,372	629	65,897
Subgrantee payments	-	-	-	-	-	555,998	-	-	555,998
Utilities	-	45,926	86,831	-	-	-	-	-	132,757
Vehicle operations	20,258	4,888	146,222	-	9	40	65	-	171,482
Total Other	2,154,034	502,680	18,302,761	22,525	1,009,494	24,031,968	104,179	165,328	46,292,969
Total Program Expenses	\$ 2,772,378	\$ 994,648	\$ 19,909,793	\$ 328,473	\$ 1,299,302	\$ 24,032,282	\$ 494,704	\$ 240,298	\$ 50,071,878