



***Greater Lehigh Valley  
Chamber of Commerce  
and Controlled Entity***

***June 30, 2019 and 2018***

***Consolidated Financial Statements  
and Independent Auditors' Report***

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**JUNE 30, 2019 AND 2018**

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**INDEPENDENT AUDITORS' REPORT**

To the Boards of Governors of  
Greater Lehigh Valley Chamber of Commerce  
and Controlled Entity

We have audited the accompanying consolidated financial statements of the Greater Lehigh Valley Chamber of Commerce and Controlled Entity (a nonprofit organization, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Greater Lehigh Valley Chamber of Commerce and Controlled Entity as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Concannon, Miller + Co., P.C.*

Bethlehem, PA  
December 16, 2019

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>June 30,</b>	
<b><u>ASSETS</u></b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 343,144	\$ 232,261
Investments, at fair value	1,914,321	1,818,802
Accounts receivable, net of allowance of \$20,500 and \$61,500, respectively	351,641	446,777
Grants receivable	12,613	25,192
Contributions receivable, current portion	400	950
Prepaid expenses	22,943	58,511
Total Current Assets	2,645,062	2,582,493
<b>PROPERTY AND EQUIPMENT, NET</b>	30,713	40,511
<b>OTHER ASSETS</b>		
Restricted cash	260,151	263,185
Contributions receivable, net of current portion	0	400
Total Other Assets	260,151	263,585
Total Assets	<b>\$ 2,935,926</b>	<b>\$ 2,886,589</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 71,288	\$ 91,357
Grants payable	31,229	21,226
Dues paid in advance	29,971	24,449
Accrued payroll expenses and other liabilities	88,118	85,712
Special projects in progress	297,334	359,583
Deferred revenues, members' dues	678,826	661,493
Deferred grant revenue	115,925	89,952
Total Current Liabilities	1,312,691	1,333,772
<b>LONG-TERM LIABILITIES</b>		
Deferred rent expense	10,542	5,443
Total Liabilities	1,323,233	1,339,215
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	1,527,544	1,466,847
Board designated for fixed assets	30,713	40,511
Total Net Assets Without Donor Restrictions	1,558,257	1,507,358
With donor restrictions	54,436	40,016
Total Net Assets	1,612,693	1,547,374
Total Liabilities and Net Assets	<b>\$ 2,935,926</b>	<b>\$ 2,886,589</b>

The accompanying notes are an integral part of the consolidated financial statements.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2018)**

	2019		Totals	
	Without Donor Restrictions	With Donor Restrictions	2019	2018
<b>Revenue and Support</b>				
Membership dues	\$ 1,093,909	\$ 0	\$ 1,093,909	\$ 1,103,756
Council programs and special projects	2,683,809		2,683,809	2,412,943
Program support	524,889		524,889	561,042
Sale of publications	6,350		6,350	6,725
Grant income	21,000		21,000	23,250
In-kind contributions	267,184		267,184	249,767
Dividend and interest income, net	53,048		53,048	26,243
Unrealized gain (loss) on investments	266		266	(18,219)
Realized gain on investments	43,569		43,569	88,740
Contributions	0	49,762	49,762	57,166
Other income	7,871		7,871	8,649
	<u>4,701,895</u>	<u>49,762</u>	<u>4,751,657</u>	<u>4,520,062</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>35,342</u>	<u>(35,342)</u>	<u>0</u>	<u>0</u>
Total Revenue and Support	<u>4,737,237</u>	<u>14,420</u>	<u>4,751,657</u>	<u>4,520,062</u>
<b>Expenses</b>				
Program services	3,616,740		3,616,740	3,431,755
General and administrative	1,069,598		1,069,598	1,057,766
Total Expenses	<u>4,686,338</u>	<u>0</u>	<u>4,686,338</u>	<u>4,489,521</u>
<b>CHANGE IN NET ASSETS</b>	50,899	14,420	65,319	30,541
<b>NET ASSETS, JULY 1</b>	<u>1,507,358</u>	<u>40,016</u>	<u>1,547,374</u>	<u>1,516,833</u>
<b>NET ASSETS, JUNE 30</b>	<u>\$ 1,558,257</u>	<u>\$ 54,436</u>	<u>\$ 1,612,693</u>	<u>\$ 1,547,374</u>

The accompanying notes are an integral part of the consolidated financial statements.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenue and Support</b>			
Membership dues	\$ 1,103,756		\$ 1,103,756
Council programs and special projects	2,412,943		2,412,943
Program support	561,042		561,042
Sale of publications	6,725		6,725
Grant income	23,250		23,250
In-kind contributions	249,767		249,767
Dividend and interest income, net	26,243		26,243
Unrealized loss on investments	(18,219)		(18,219)
Realized gain on investments	88,740		88,740
Contributions		57,166	57,166
Other income	8,649		8,649
	<u>4,462,896</u>	<u>57,166</u>	<u>4,520,062</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>25,800</u>	<u>(25,800)</u>	<u>0</u>
Total Revenue and Support	<u>4,488,696</u>	<u>31,366</u>	<u>4,520,062</u>
<b>Expenses</b>			
Program services	3,431,755		3,431,755
General and administrative	1,057,766		1,057,766
Total Expenses	<u>4,489,521</u>	<u>0</u>	<u>4,489,521</u>
<b>CHANGE IN NET ASSETS</b>	(825)	31,366	30,541
<b>NET ASSETS, JULY 1</b>	<u>1,508,183</u>	<u>8,650</u>	<u>1,516,833</u>
<b>NET ASSETS, JUNE 30</b>	<u>\$ 1,507,358</u>	<u>\$ 40,016</u>	<u>\$ 1,547,374</u>

The accompanying notes are an integral part of the consolidated financial statements.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

	<u>Year Ended June 30, 2019</u>			<u>Year Ended June 30, 2018</u>		
	<u>Program Expenses</u>	<u>G&amp;A Expenses</u>	<u>Total Expense</u>	<u>Program Expenses</u>	<u>G&amp;A Expenses</u>	<u>Total Expense</u>
Salaries	\$ 1,379,772	\$ 661,136	\$ 2,040,908	\$ 1,319,580	\$ 622,177	\$ 1,941,757
Council programs and special projects	1,392,992		1,392,992	1,242,067		1,242,067
Employee benefits and payroll taxes	230,390	132,111	362,501	230,481	121,907	352,388
Occupancy costs	132,721	76,106	208,827	130,080	68,803	198,883
Membership	48,478		48,478	46,700		46,700
Other	62,546	38,258	100,804	51,165	34,827	85,992
Office	61,419	54,160	115,579	65,502	52,537	118,039
Marketing and publications	175,594	19,510	195,104	206,653	22,794	229,447
Professional fees	3,820	31,957	35,777	3,023	43,933	46,956
Travel and meetings	68,118	39,060	107,178	65,221	34,497	99,718
Grants	34,614		34,614	42,275		42,275
Telephone	14,729	8,446	23,175	16,147	8,540	24,687
Depreciation	11,547	6,621	18,168	12,861	6,803	19,664
Bad debt		2,233	2,233		40,948	40,948
	<u>\$ 3,616,740</u>	<u>\$ 1,069,598</u>	<u>\$ 4,686,338</u>	<u>\$ 3,431,755</u>	<u>\$ 1,057,766</u>	<u>\$ 4,489,521</u>

The accompanying notes are an integral part of the consolidated financial statements.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended	
	June 30,	
	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 65,319	\$ 30,541
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	18,168	19,664
Unrealized (gain) loss on investments	(266)	18,219
Realized gain on investments	(43,569)	(88,740)
Bad debt expense	2,233	40,948
Changes in assets and liabilities		
Accounts receivable	92,903	(42,255)
Grants receivable	12,579	(10,196)
Contributions receivable	950	7,300
Prepaid expenses	35,568	(25,537)
Accounts payable	(20,069)	440
Grants payable	10,003	(986)
Dues paid in advance	5,522	(4,140)
Accrued payroll expenses and other liabilities	2,406	5,576
Special projects in progress	(62,249)	79,085
Deferred revenues, members' dues	17,333	(1,861)
Deferred grant revenue	25,973	(10,051)
Deferred rent expense	5,099	2,074
Net Cash Provided by Operating Activities	<u>167,903</u>	<u>20,081</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(706,050)	(446,354)
Proceeds from sale of investments	654,366	421,689
Purchases of property and equipment	(8,370)	(9,317)
Net Cash Used in Investing Activities	<u>(60,054)</u>	<u>(33,982)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	107,849	(13,901)
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>495,446</u>	<u>509,347</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 603,295</u>	<u>\$ 495,446</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u></b>		
<b>NON CASH OPERATING ACTIVITIES</b>		
In-kind contribution of services	<u>\$ 267,184</u>	<u>\$ 249,767</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>		
Unrestricted balance	\$ 343,144	\$ 232,261
Restricted to special projects in progress	260,151	263,185
	<u>\$ 603,295</u>	<u>\$ 495,446</u>

The accompanying notes are an integral part of the consolidated financial statements.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE 1      Nature of Operations and Purpose of the Organization**

The Greater Lehigh Valley Chamber of Commerce (the “Chamber”) provides informational and educational materials and programs to its members and the general business community. The Chamber unifies the business community to leverage regional resources and promotes the economic expansion of the Greater Lehigh Valley, Pennsylvania.

The Greater Lehigh Valley Chamber of Commerce Foundation (the “Foundation”) is a not-for-profit organization established in 1984. The Foundation's mission is to carry on a public charity within the Greater Lehigh Valley of Pennsylvania in order to support community and economic development initiatives and to further the cultural, educational, religious, and historical heritage of the Greater Lehigh Valley, including but not limited to, the promotion and operation of visitor activities and related functions.

**NOTE 2      Summary of Significant Accounting Policies**

**Basis of Consolidation**

The accompanying consolidated financial statements include the accounts of the Chamber and the Foundation, collectively known as the “Organization”. The Foundation is consolidated with the Chamber since the Chamber has an economic interest in the Foundation. All significant intercompany transactions and balances have been eliminated in consolidation.

**Basis of Accounting**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with FASB ASC 958, *Not-for-Profit Entities*.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Without Donor Restrictions** – Net assets that are not subject to donor-imposed restrictions or law. The governing board has designated, from net assets without donor restrictions, net assets for various fixed asset purchases and capital improvement projects.

**With Donor Restrictions** – Net assets subject to donor-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.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include cash and money market funds held in the Organization's bank or brokerage accounts.

The Organization has classified as restricted certain cash that is not available for use in its operations. All cash received and designated for a specific program or purpose has been designated as restricted. At June 30, 2019 and 2018, cash of \$260,151 and \$263,185, respectively, has been restricted for such purposes.

**Valuation of Investments in Securities at Fair Value**

The Organization complies with the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**Accounts Receivable**

Accounts receivable consists primarily of amounts owed for membership dues and special events for future periods. These receivables are non-interest bearing and are not collateralized. The Organization maintains allowances for credit losses for estimated losses resulting from the inability of customers to make required payments. Management considers the Organization's historical losses and the financial stability of its customers when determining the collectability of specific customer accounts.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

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

**Accounts Receivable (Continued)**

Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable efforts are written off through a charge to the valuation and a credit to accounts receivable. The balance of the allowance for credit losses at June 30, 2019 and 2018 was \$20,500 and \$61,500, respectively.

**Property and Equipment**

Purchased property and equipment are recorded at cost. Maintenance and repairs which neither materially add to the value of property nor appreciably prolong its life are charged to expense. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Related gains or losses from such transactions are credited or charged to income.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years.

**Special Projects in Progress**

Various councils within the Organization conduct special events and projects for the Organization. Sponsorship and ticket revenue and refundable prepaid expenses for these events are recorded as deferred revenue until the event occurs.

**Membership Dues**

The Chamber generally bills its members one month in advance of the anniversary date of membership. Any collections received in advance of the anniversary date are accounted for as dues paid in advance. Upon the anniversary date of membership, the Chamber records the receivable from continuing members and accounts for the corresponding members' dues as deferred revenue. Deferred revenue is amortized to income ratably over the terms of membership.

**Sponsorships, Contributions and Program Receivables**

Donor restricted contributions whose restrictions are met within the same year as received are reported as without donor restriction contributions in the accompanying consolidated financial statements. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

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

**Sponsorships, Contributions and Program Receivables (Continued)**

Unconditional 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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine credit losses from sponsorship, contribution and service fees receivable. The allowance is based on prior year's experience and management's analysis of specific promises made. In the opinion of management, all of the sponsorship and contribution receivables are considered to be realizable at the amounts stated in the accompanying statements of financial position and no allowance for credit losses was considered necessary.

**Contributed and In-Kind Services**

Contributed services are recorded as support if those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of these contributed professional services, which are reported in the consolidated statement of activities as contributions at their fair value, and their corresponding expenses, are summarized as follows:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Program services	\$ 240,466	\$ 224,790
General and administrative	26,718	24,977
	\$ 267,184	\$ 249,767

In addition to the above services, a significant number of volunteers have donated their time to the Organization. No amounts have been included in the consolidated financial statements for these services because they do not meet the criteria for recognition under generally accepted accounting principles.

**Advertising and Promotions**

The Organization reports advertising expenses, net of certain related revenues. The Organization expenses advertising costs as they are incurred. Total advertising costs for the years ended June 30, 2019 and 2018 were \$500,850 and \$471,620, respectively. Related advertising revenue for the years ended June 30, 2019 and 2018 was \$565,034 and \$487,623, respectively. Included in each of these amounts were \$259,288 and \$245,450 of in-kind services provided during the years ended June 30, 2019 and 2018, respectively.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

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

**Functional Expenses**

The consolidated statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting function of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Functional expenses are charged to program services and administration based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to the functional expense categories benefited. The expenses that are allocated include salaries and wages, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort; depreciation, maintenance and repairs, contract services, and utilities, which are allocated based on the percentage of payroll costs assigned to program and administration. The remaining expenses are allocated based on historical estimates of usage between program and support functions.

**Income Taxes**

No provision for income taxes has been made in the consolidated financial statements since the Chamber is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code and the Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, income from activities not directly related to the Organization's tax-exempt purpose, if any, would be subject to taxation as unrelated business income.

The Organization complies with guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by tax authorities. As of June 30, 2019 and 2018, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

**Use of Estimates**

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

**Liquidity and Availability**

The Organization has \$2,645,062 of financial assets available for general expenditures within one year of the consolidated statement of financial position date, as noted in the current assets section of the statement. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

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

**Liquidity (Continued)**

The Organization maintains financial assets, consisting of cash and short-term investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As described in Note 8, the Organization also has a committed line of credit in the amount of \$100,000, which it could draw upon in the event of an unanticipated liquidity need.

**NOTE 3      Concentration of Credit Risk**

The Organization maintains cash balances at several financial institutions. The amounts held at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$250,000. The risk is managed by maintaining deposits at high quality financial institutions. At June 30, 2019, the Organization's cash balances in excess of federally insured limits were approximately \$166,000.

**NOTE 4      Investments**

The Organization's investments are recorded at fair value and have been categorized based upon a fair value hierarchy, in accordance with FASB ASC 820 (see Note 2). Investments held are summarized as follows:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Level 1:		
Cash and equivalents	\$ 117,452	\$ 167,803
Common stock and mutual funds	1,175,678	1,119,859
Treasury notes	191,155	211,768
Level 2:		
Corporate bonds	287,031	225,709
Municipal bonds	78,501	14,363
Agency bonds	64,504	79,300
Total Investments	<u>\$ 1,914,321</u>	<u>\$ 1,818,802</u>

Total investment return and its classification in the statements of activities are summarized as follows:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Dividend and interest income, net of fees	\$ 53,048	\$ 26,243
Unrealized gain (loss) on investments	266	(18,219)
Realized gains on investments	43,569	88,740
Total Return on Investments	<u>\$ 96,883</u>	<u>\$ 96,764</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**NOTE 4 Investments (Continued)**

Investment fees for the years ended June 30, 2019 and 2018 were \$13,712 and \$16,214, respectively.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the consolidated statements of financial position.

**NOTE 5 Accounts Receivable**

Accounts receivable represent amounts due for membership dues, as well as amounts from customers related to events. The balances consist of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Membership dues	\$ 104,340	\$ 105,924
Events	267,801	402,353
Less allowance for credit losses	20,500	61,500
	\$ 351,641	\$ 446,777

**NOTE 6 Contributions Receivable**

Contributions receivable consist of pledges intended to support the Organization's efforts to improve every main street in the Lehigh Valley. Amounts are expected to be collected as follows:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Less than one year	\$ 400	\$ 950
One to five years	0	400
	\$ 400	\$ 1,350

**NOTE 7 Property and Equipment**

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
Leasehold improvements	\$ 0	\$ 87,000
Office furniture and equipment	281,900	310,601
	281,900	397,601
Less accumulated depreciation	251,187	357,090
Property and Equipment, Net	\$ 30,713	\$ 40,511

Depreciation expense for the years ended June 30, 2019 and 2018 was \$18,168 and \$19,664, respectively.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**NOTE 8      Line of Credit**

The Organization has a \$100,000 unsecured line of credit available with a bank for operational purposes. The line of credit expires on October 13, 2024. Interest on outstanding borrowings is payable at The Wall Street Journal Rate plus 1% (6.50% at June 30, 2019). There were no borrowings at June 30, 2019 and 2018.

**NOTE 9      Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Time restriction on contributions receivable	\$ 400	\$ 1,350
DABA website construction	10,667	0
Council scholarships	43,369	38,666
	<u>\$ 54,436</u>	<u>\$ 40,016</u>

**NOTE 10     Net Assets Released from Donor Restrictions**

Net assets 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 donors as follows:

	<u>June 30,</u>	
	<u>2019</u>	<u>2018</u>
Receipt of contributions receivable	\$ 950	\$ 7,300
DABA website expenses	7,333	0
Council scholarships	27,059	18,500
	<u>\$ 35,342</u>	<u>\$ 25,800</u>

**NOTE 11     Commitments**

The Chamber leases its Allentown office space under an operating lease expiring in June 2022. The agreement has the option to extend the lease for three consecutive periods of five years and one three year, eleven-month period. The Chamber has recorded rental expense for the lease on a straight-line basis over the initial term of the lease, resulting in the Chamber recording rent payable of \$6,184 and \$5,443 as of June 30, 2019 and 2018, respectively, which is reported as deferred rent expense in the consolidated financial statements. Due to the straight-line method used to account for this lease, total rent expense related to this lease was \$46,521 for both the years ended June 30, 2019 and 2018, respectively.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**NOTE 11 Commitments (Continued)**

The Chamber leased its Bethlehem office space under an operating lease that expired in April 2018. In May 2018, the Chamber entered into a lease at a new building; the lease has a five-year term with one five-year renewal. The Chamber has recorded rental expense for the lease on a straight-line basis over the initial term of the lease, resulting in the Chamber recording rent payable of \$4,358 as of June 30, 2019, which is reported as deferred rent expense in the consolidated financial statements. Rent expense related to this office space was \$51,249 and \$47,469 for the years ended June 30, 2019 and 2018, respectively.

The Chamber leased its Phillipsburg office under a one year lease with payment terms of \$500 per month. The lease expired on December 31, 2018 and was not renewed. The rent expense related to this lease was \$3,000 and \$6,000 for the years ended June 30, 2019 and 2018, respectively.

The Chamber leases its Easton office space under an operating lease which expires in August 2019. Subsequent to June 30, 2019, the Chamber renewed the lease for a three year term expiring in August 2022. Rent expense related to this lease was \$13,200 for each of the years ended June 30, 2019 and 2018.

The Chamber leases its Nazareth office space under an operating lease which expired in March 2019. The lease has been verbally renewed on a month to month basis. Rent expense related to this lease was \$8,664 for each of the years ended June 30, 2019 and 2018.

In January 2018, the Chamber entered into a one year operating lease for its Emmaus office space, which expired on January 31, 2019. In February 2019, the lease was renewed for a three year term expiring on January 31, 2022 with a renewal option for an additional three years. Rent expense related to this office space was \$8,825 and \$4,500 for the years ended June 30, 2019 and 2018, respectively.

The Chamber leases its Whitehall office space under an operating agreement that expired in April 2018. The lease is continuing on a month to month basis under the original lease terms, which required rent payments of \$400 per month. Total rent expense for the office space was \$4,800 for each of the years ended June 30, 2019 and 2018.

The Organization leases various equipment under non-cancellable operating leases with existing termination dates between March 2020 and July 2022. Rent expense under these leases was \$23,605 and \$26,999 for the years ended June 30, 2019 and 2018, respectively.

The future minimum lease payments under these noncancellable arrangements as of June 30, 2019 are as follows:

2020	\$ 138,927
2021	139,391
2022	134,246
2023	53,256
	<u>\$ 465,820</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
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**JUNE 30, 2019 AND 2018**

**NOTE 12 Collaborative Arrangements**

The Organization had an agreement with the Emmaus Main Street Program (“Program”) through which the Organization provided staff to support the ongoing events and activities of the Program as well as provided for all payroll and insurance costs of a Program employee. In exchange, the Organization received \$5,000 per month. The contract was verbally renewed through June 2018 but terminated due to the merger of Emmaus Main Street Partners with the Chamber (refer to Note 15). Amounts receivable under this contract as of June 30, 2019 and 2018 were \$0 and \$44,910, respectively. Total revenue under this agreement was \$0 and \$60,000 for each of the years ended June 30, 2019 and 2018, respectively.

The Organization entered into an agreement with the Carbon Chamber and Economic Development Corporation (“CCEDC”) through which the Organization provides staff to support the ongoing events and activities of the CCEDC. In return, the Organization receives payments to support the payroll and benefit cost of those employees. The agreement was amended in January 2018 to extend the contractual terms and now expires December 31, 2020. Total revenue under this agreement, and subsequent amendments, totaled \$165,183 and \$156,600 for the years ended June 30, 2019 and 2018, respectively.

In July 2018, the Organization entered into an agreement with the Greater Pocono Chamber of Commerce (“GPCC”) through which the Organization provides staff to support various functions of the GPCC, including events, memberships and general operations. In return, the Organization receives payments to support the payroll and benefit cost of those employees. Revenue under this agreement totaled \$60,000 for the year ended June 30, 2019. The agreement expires in June 2020.

**NOTE 13 Retirement Plan**

The Chamber has a SIMPLE retirement plan covering all eligible employees. Contributions are determined on a discretionary basis ranging up to 3% of each eligible employee's salary. Employer contributions to the plan were \$51,505 and \$48,622 in 2019 and 2018, respectively.

**NOTE 14 Related Party Transactions**

The Organization receives sponsorships and regularly purchases products and services from companies affiliated with various board members. Sponsorships, dues and other support received from related parties during the years ended June 30, 2019 and 2018 totaled \$761,989 and \$756,879, respectively, with related party receivables of \$31,202 and \$62,274 remaining at June 30, 2019 and 2018, respectively. Products and services purchased were \$102,174 and \$114,027 for the years ended June 30, 2019 and 2018, respectively, and related party payables of \$2,807 and \$865 remain at June 30, 2019 and 2018, respectively.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**NOTE 15      Merger with Emmaus Main Street Partners**

In October 2018, the Chamber merged with Emmaus Main Street Partners (“EMSP”). The remaining net assets of EMSP as of the date of the merger were transferred to the Chamber. The total value of the net assets transferred to Chamber was \$3,322. As a result of the merger, the partnership agreement between the Chamber and EMSP was terminated.

**NOTE 16      Change in Accounting Principle**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has applied the changes retrospectively to all periods presented. The new standard changes the following aspects of the consolidated financial statements:

- Unrestricted net asset class has been renamed Net Assets Without Donor Restrictions
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called Net Assets with Donor Restrictions
- The consolidated financial statements include a disclosure about liquidity and availability of resources (Note 2)

**NOTE 17      Reclassifications**

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on the prior year change in net assets.

**NOTE 18      Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through December 16, 2019, the date the consolidated financial statements were available to be issued. Except as described in Note 11, no events or transactions have occurred that would require recognition or disclosure in the consolidated financial statements.

**NOTE 19      Recent Accounting Pronouncements**

**Revenue from Contracts with Customers**

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2019 AND 2018**

**NOTE 19      Recent Accounting Pronouncements (Continued)**

**Revenue from Contracts with Customers (Continued)**

Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one or two methods. The standard will be effective for the Organization for the fiscal year ending June 30, 2020. Early adoption is permitted. Management is evaluating the impact of the amended revenue recognition guidance on the Organization's consolidated financial statements.

**Clarifying Scope and the Accounting Guidance for Contributions**

In June 2018, the FASB issued amended guidance to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This amended guidance distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions, the guidance in Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, should be followed. For exchange transactions, Topic 606, *Revenue from Contracts with Customers*, should be followed.

In addition, once a transaction is deemed to be a contribution, this amended guidance assists in determining whether a contribution is conditional or unconditional, and if unconditional, whether the transaction is donor-restricted for a limited purpose or timing. The guidance should be applied on a modified prospective basis. As a resource recipient, the guidance will be effective for the Organization for the fiscal year ended June 30, 2020. Early adoption is permitted.

**Leases**

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the fiscal year ending June 30, 2022. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's consolidated financial statements.

**INDEPENDENT AUDITORS' REPORT**  
**ON SUPPLEMENTARY INFORMATION**

To the Boards of Governors of  
Greater Lehigh Valley Chamber of Commerce  
and Controlled Entity

We have audited the consolidated financial statements of the Greater Lehigh Valley Chamber of Commerce and Controlled Entity as of and for the years ended June 30, 2019 and 2018, and have issued our report thereon dated December 16, 2019, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statements of Financial Position, Consolidating Statements of Activities and Consolidating Schedules of Functional Expenses are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Concannon, Miller + Co., P.C.*

Bethlehem, PA  
December 16, 2019

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**  
**See Independent Auditors' Report on Supplementary Information**

<b><u>ASSETS</u></b>	<b>Greater Lehigh Valley Chamber of Commerce</b>	<b>Greater Lehigh Valley Chamber of Commerce Foundation</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 112,981	\$ 230,163	\$ 0	\$ 343,144
Investments, at fair value	1,914,321			1,914,321
Accounts receivable, net	315,816	35,825		351,641
Grants receivable	12,613			12,613
Contributions receivable, current portion		400		400
Due from related party	965		(965)	0
Prepaid expenses	22,943			22,943
Total Current Assets	<u>2,379,639</u>	<u>266,388</u>	<u>(965)</u>	<u>2,645,062</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>30,713</u>			<u>30,713</u>
<b>OTHER ASSETS</b>				
Restricted cash	246,882	13,269		260,151
Total Assets	<u>\$ 2,657,234</u>	<u>\$ 279,657</u>	<u>\$ (965)</u>	<u>\$ 2,935,926</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 58,132	\$ 13,156	\$ 0	\$ 71,288
Grants payable		31,229		31,229
Dues paid in advance	29,971			29,971
Accrued payroll expenses and other liabilities	88,118			88,118
Due to related party		965	(965)	0
Special projects in progress	285,140	12,194		297,334
Deferred revenues, members' dues	678,826			678,826
Deferred grant revenue	115,925			115,925
Total Current Liabilities	<u>1,256,112</u>	<u>57,544</u>	<u>(965)</u>	<u>1,312,691</u>
<b>LONG-TERM LIABILITIES</b>				
Deferred rent expense	10,542			10,542
Total Liabilities	<u>1,266,654</u>	<u>57,544</u>	<u>(965)</u>	<u>1,323,233</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	1,359,867	167,677		1,527,544
Board designated for fixed assets	30,713	0		30,713
Total Net Assets Without Donor Restrictions	<u>1,390,580</u>	<u>167,677</u>		<u>1,558,257</u>
Net assets with donor restrictions	0	54,436		54,436
Total Net Assets	<u>1,390,580</u>	<u>222,113</u>	<u>0</u>	<u>1,612,693</u>
Total Liabilities and Net Assets	<u>\$ 2,657,234</u>	<u>\$ 279,657</u>	<u>\$ (965)</u>	<u>\$ 2,935,926</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

**See Independent Auditors' Report on Supplementary Information**

<u>ASSETS</u>	<u>Greater Lehigh Valley Chamber of Commerce</u>	<u>Greater Lehigh Valley Chamber of Commerce Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 48,270	\$ 183,991	\$ 0	\$ 232,261
Investments, at fair value	1,818,802			1,818,802
Accounts receivable, net	412,527	34,250		446,777
Grants receivable	25,192			25,192
Contributions receivable, current portion		950		950
Due from related party		23,336	(23,336)	0
Prepaid expenses	58,511			58,511
Total Current Assets	<u>2,363,302</u>	<u>242,527</u>	<u>(23,336)</u>	<u>2,582,493</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>40,511</u>			<u>40,511</u>
<b>OTHER ASSETS</b>				
Restricted cash	242,862	20,323		263,185
Contributions receivable, net of current portion		400		400
Total Other Assets	<u>242,862</u>	<u>20,723</u>		<u>263,585</u>
Total Assets	<u>\$ 2,646,675</u>	<u>\$ 263,250</u>	<u>\$ (23,336)</u>	<u>\$ 2,886,589</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 82,453	\$ 8,904	\$ 0	\$ 91,357
Grants payable		21,226		21,226
Dues paid in advance	24,449			24,449
Accrued payroll expenses and other liabilities	85,712			85,712
Due to related party	23,336		(23,336)	0
Special projects in progress	339,185	20,398		359,583
Deferred revenues, members' dues	661,493			661,493
Deferred grant revenue	79,952	10,000		89,952
Total Current Liabilities	<u>1,296,580</u>	<u>60,528</u>	<u>(23,336)</u>	<u>1,333,772</u>
<b>LONG-TERM LIABILITIES</b>				
Deferred rent expense	5,443			5,443
Total Liabilities	<u>1,302,023</u>	<u>60,528</u>	<u>(23,336)</u>	<u>1,339,215</u>
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	1,304,141	162,706		1,466,847
Board designated for fixed assets	40,511	0		40,511
Total Net Assets Without Donor Restrictions	<u>1,344,652</u>	<u>162,706</u>		<u>1,507,358</u>
Net assets with donor restrictions	0	40,016		40,016
Total Net Assets	<u>1,344,652</u>	<u>202,722</u>	<u>0</u>	<u>1,547,374</u>
Total Liabilities and Net Assets	<u>\$ 2,646,675</u>	<u>\$ 263,250</u>	<u>\$ (23,336)</u>	<u>\$ 2,886,589</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

**See Independent Auditors' Report on Supplementary Information**

	Greater Lehigh Valley Chamber of Commerce		Greater Lehigh Valley Chamber of Commerce Foundation		Eliminations	Consolidated		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	
<b>Revenue and Support</b>								
Membership dues	\$ 1,093,909	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,093,909	\$ 0	\$ 1,093,909
Council programs and special projects	2,295,019		388,790			2,683,809		2,683,809
Program support	524,889					524,889		524,889
Sale of publications	6,350					6,350		6,350
Grant income	21,000					21,000		21,000
In-kind contributions	267,184					267,184		267,184
Dividend and interest income, net	52,333		715			53,048		53,048
Unrealized gain on investments	266					266		266
Realized gain on investments	43,569					43,569		43,569
Management fees	6,527				(6,527)	0		0
Contributions				49,762		0	49,762	49,762
Other income	7,871					7,871		7,871.00
	<u>4,318,917</u>	<u>0</u>	<u>389,505</u>	<u>49,762</u>	<u>(6,527)</u>	<u>4,701,895</u>	<u>49,762</u>	<u>4,751,657</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
Total Revenue and Support	<u>4,318,917</u>	<u>0</u>	<u>424,847</u>	<u>14,420</u>	<u>(6,527)</u>	<u>4,737,237</u>	<u>14,420</u>	<u>4,751,657</u>
<b>Expenses</b>								
Program services	3,228,760		387,980			3,616,740		3,616,740
General and administrative	1,044,229		31,896		(6,527)	1,069,598		1,069,598
Total Expenses	<u>4,272,989</u>	<u>0</u>	<u>419,876</u>	<u>0</u>	<u>(6,527)</u>	<u>4,686,338</u>	<u>0</u>	<u>4,686,338</u>
<b>CHANGE IN NET ASSETS</b>	45,928	0	4,971	14,420		50,899	14,420	65,319
<b>NET ASSETS, JULY 1, 2018</b>	<u>1,344,652</u>	<u>0</u>	<u>162,706</u>	<u>40,016</u>	<u>0</u>	<u>1,507,358</u>	<u>40,016</u>	<u>1,547,374</u>
<b>NET ASSETS, JUNE 30, 2019</b>	<u>\$ 1,390,580</u>	<u>\$ 0</u>	<u>\$ 167,677</u>	<u>\$ 54,436</u>	<u>\$ 0</u>	<u>\$ 1,558,257</u>	<u>\$ 54,436</u>	<u>\$ 1,612,693</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE**  
**AND CONTROLLED ENTITY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

**See Independent Auditors' Report on Supplementary Information**

	Greater Lehigh Valley Chamber of Commerce		Greater Lehigh Valley Chamber of Commerce Foundation		Eliminations	Consolidated		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	
<b>Revenue and Support</b>								
Membership dues	\$ 1,103,756	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,103,756	\$ 0	\$ 1,103,756
Council programs and special projects	2,083,618		329,325			2,412,943		2,412,943
Program support	561,042					561,042		561,042
Sale of publications	6,725					6,725		6,725
Grant income	23,250					23,250		23,250
In-kind contributions	249,734		33			249,767		249,767
Dividend and interest income, net	25,542		701			26,243		26,243
Unrealized loss on investments	(18,219)					(18,219)		(18,219)
Realized gain on investments	88,740					88,740		88,740
Management fees	5,578				(5,578)	0		0
Contributions				57,166		0	57,166	57,166
Other income	8,649					8,649		8,649
	<u>4,138,415</u>		<u>330,059</u>	<u>57,166</u>	<u>(5,578)</u>	<u>4,462,896</u>	<u>57,166</u>	<u>4,520,062</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			<u>25,800</u>	<u>(25,800)</u>		<u>25,800</u>	<u>(25,800)</u>	<u>0</u>
Total Revenue and Support	<u>4,138,415</u>		<u>355,859</u>	<u>31,366</u>	<u>(5,578)</u>	<u>4,488,696</u>	<u>31,366</u>	<u>4,520,062</u>
<b>Expenses</b>								
Program services	3,093,629		338,126			3,431,755		3,431,755
General and administrative	1,033,699		29,645		(5,578)	1,057,766		1,057,766
Total Expenses	<u>4,127,328</u>		<u>367,771</u>		<u>(5,578)</u>	<u>4,489,521</u>		<u>4,489,521</u>
<b>CHANGE IN NET ASSETS</b>	11,087	0	(11,912)	31,366		(825)	31,366	30,541
<b>NET ASSETS, JULY 1, 2017</b>	<u>1,333,565</u>	<u>0</u>	<u>174,618</u>	<u>8,650</u>		<u>1,508,183</u>	<u>8,650</u>	<u>1,516,833</u>
<b>NET ASSETS, JUNE 30, 2018</b>	<u>\$ 1,344,652</u>	<u>\$ 0</u>	<u>\$ 162,706</u>	<u>\$ 40,016</u>	<u>\$ 0</u>	<u>\$ 1,507,358</u>	<u>\$ 40,016</u>	<u>\$ 1,547,374</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**  
**See Independent Auditors' Report on Supplementary Information**

	Greater Lehigh Valley Chamber of Commerce			Greater Lehigh Valley Chamber of Commerce Foundation			Eliminations	Consolidated		
	Program Expenses	G&A Expenses	Total Expense	Program Expenses	G&A Expenses	Total Expense		Program Expenses	G&A Expenses	Consolidated
Salaries	\$ 1,285,852	\$ 637,656	\$ 1,923,508	\$ 93,920	\$ 23,480	\$ 117,400	\$ 0	\$ 1,379,772	\$ 661,136	\$ 2,040,908
Council programs and special projects	1,133,546		1,133,546	259,446		259,446		1,392,992	0	1,392,992
Employee benefits and payroll taxes	230,390	132,111	362,501					230,390	132,111	362,501
Occupancy costs	132,721	76,106	208,827					132,721	76,106	208,827
Membership	48,478		48,478					48,478	0	48,478
Other	62,546	38,258	100,804					62,546	38,258	100,804
Office	61,419	53,771	115,190		389	389		61,419	54,160	115,579
Marketing and publications	175,594	19,510	195,104			0		175,594	19,510	195,104
Professional fees	3,820	30,457	34,277		1,500	1,500		3,820	31,957	35,777
Travel and meetings	68,118	39,060	107,178					68,118	39,060	107,178
Grants			0	34,614		34,614		34,614	0	34,614
Telephone	14,729	8,446	23,175					14,729	8,446	23,175
Management fees					6,527	6,527	(6,527)	0	0	0
Depreciation	11,547	6,621	18,168					11,547	6,621	18,168
Bad debt		2,233	2,233					0	2,233	2,233
	<u>\$ 3,228,760</u>	<u>\$ 1,044,229</u>	<u>\$ 4,272,989</u>	<u>\$ 387,980</u>	<u>\$ 31,896</u>	<u>\$ 419,876</u>	<u>\$ (6,527)</u>	<u>\$ 3,616,740</u>	<u>\$ 1,069,598</u>	<u>\$ 4,686,338</u>

**GREATER LEHIGH VALLEY CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**  
**See Independent Auditors' Report on Supplementary Information**

	Greater Lehigh Valley Chamber of Commerce			Greater Lehigh Valley Chamber of Commerce Foundation			Eliminations	Consolidated		
	Program Expenses	G&A Expenses	Total Expense	Program Expenses	G&A Expenses	Total Expense		Program Expenses	G&A Expenses	Consolidated
Salaries	\$ 1,231,739	\$ 600,217	\$ 1,831,956	\$ 87,841	\$ 21,960	\$ 109,801	\$ 0	\$ 1,319,580	\$ 622,177	\$ 1,941,757
Council programs and special projects	1,035,564		1,035,564	206,503		206,503		1,242,067	0	1,242,067
Employee benefits and payroll taxes	230,481	121,907	352,388					230,481	121,907	352,388
Occupancy costs	130,080	68,803	198,883					130,080	68,803	198,883
Membership	46,700		46,700					46,700	0	46,700
Other	51,165	34,827	85,992					51,165	34,827	85,992
Office	65,502	51,464	116,966		1,073	1,073		65,502	52,537	118,039
Marketing and publications	205,146	22,794	227,940	1,507		1,507		206,653	22,794	229,447
Professional fees	3,023	42,899	45,922		1,034	1,034		3,023	43,933	46,956
Travel and meetings	65,221	34,497	99,718					65,221	34,497	99,718
Grants				42,275		42,275		42,275	0	42,275
Telephone	16,147	8,540	24,687					16,147	8,540	24,687
Management fees					5,578	5,578	(5,578)	0	0	0
Depreciation	12,861	6,803	19,664					12,861	6,803	19,664
Bad debt		40,948	40,948					0	40,948	40,948
	<u>\$ 3,093,629</u>	<u>\$ 1,033,699</u>	<u>\$ 4,127,328</u>	<u>\$ 338,126</u>	<u>\$ 29,645</u>	<u>\$ 367,771</u>	<u>\$ (5,578)</u>	<u>\$ 3,431,755</u>	<u>\$ 1,057,766</u>	<u>\$ 4,489,521</u>