



**Kronick
Kalada
Berdy & Co.**
A Professional Corporation

Certified Public Accountants

Officers/Shareholders

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Independent Auditors' Report

Officers and Directors
Commission on Economic Opportunity
Wilkes-Barre, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Commission on Economic Opportunity (a nonprofit Agency), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principles

As described in Note 1 to the financial statements, in July 2023, the Agency changed its method of accounting for credit losses with the adoption of FASB ASU 2016-13 (ASC 326, Financial

Instruments – Credit Losses) and related ASUs. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, which includes the schedule of

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of Commission on Economic Opportunity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission on Economic Opportunity's internal control over financial reporting and compliance.

Kronick Kalada Berdy & Co., P.C.

Kingston, Pennsylvania
March 27, 2026

COMMISSION ON ECONOMIC OPPORTUNITY

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Changes in net assets without donor restrictions:		
Support, revenue and gains:		
Grants	\$ 19,413,834	\$ 23,138,805
In-kind contributions, food inventory	19,246,891	24,552,367
Fees	3,084,925	3,474,253
Contributions	1,206,083	1,272,231
United Way allocations	129,490	98,442
Interest and dividend income, net	193,464	218,310
Gain on investments, net	10,764	1,866
Net assets released from donor restrictions, satisfaction of purpose restrictions	2,656,453	1,801,459
Total support, revenue and gains	45,941,904	54,557,733
Expenses:		
Program services:		
General community programming	5,131,230	4,558,658
Energy assistance and weatherization	6,410,336	7,037,750
In home services	1,858,327	1,805,120
Community food and nutrition	26,004,025	31,026,092
Training and employment	30,753	31,456
Housing	4,623,280	6,808,789
Management and general	1,096,270	1,121,307
Fundraising	257,110	305,070
Total expenses	45,411,331	52,694,242
Increase in net assets without donor restrictions	530,573	1,863,491
Changes in net assets with donor restrictions:		
Contributions:		
Regional food bank	2,895,539	2,202,149
Net assets released from donor restrictions, satisfaction of purpose restriction	(2,656,453)	(1,801,459)
Increase in net assets with donor restrictions	239,086	400,690
Increase in net assets	769,659	2,264,181
Net assets, beginning of year	17,107,977	14,843,796
Net assets, end of year	\$ 17,877,636	\$ 17,107,977

See notes to financial statements

To request a copy of the audit in its entirety, please contact CEO at 570-826-0510 or ceonortheastpa@gmail.com.

