

PATHWAYS TO INDEPENDENCE
AUDITED FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

PATHWAYS TO INDEPENDENCE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pathways to Independence

We have audited the accompanying financial statements of Pathways to Independence (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pathways to Independence as of June 30, 2021, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Pathways to Independence's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The functional reports on pages 13-19, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPAs
Saint Louis, Missouri
October 20, 2021

PATHWAYS TO INDEPENDENCE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 225,562	\$ 334,886
Investments	1,115,849	703,512
Accounts receivable, net of allowance	39,640	17,408
Due from related party	-	1,352
Other assets	8,095	8,786
	<u>1,389,146</u>	<u>1,065,944</u>
NONCURRENT ASSETS		
Property and equipment, net	599	1,194
	<u>599</u>	<u>1,194</u>
Total noncurrent assets		
	<u>599</u>	<u>1,194</u>
Total assets	<u>\$ 1,389,745</u>	<u>\$ 1,067,138</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 65
Credit card payable	3,751	7,433
Accrued expenses	2,423	502
Accrued vacation	15,238	14,370
Accrued payroll	14,215	13,013
Deferred revenue	27,632	20,550
Note payable	-	61,500
Other liabilities	474	-
	<u>63,733</u>	<u>117,433</u>
Total current liabilities		
	<u>63,733</u>	<u>117,433</u>
NONCURRENT LIABILITIES		
None	-	-
	<u>-</u>	<u>-</u>
Total noncurrent liabilities		
	<u>-</u>	<u>-</u>
Total liabilities	<u>63,733</u>	<u>117,433</u>
NET ASSETS		
Without donor restriction	1,326,012	949,705
With donor restriction	-	-
	<u>1,326,012</u>	<u>949,705</u>
Total net assets		
	<u>1,326,012</u>	<u>949,705</u>
Total liabilities and net assets	<u>\$ 1,389,745</u>	<u>\$ 1,067,138</u>

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	Without Donor restriction	With Donor restriction	2021 Total	2020 Totals
SUPPORT AND REVENUE				
Grants	\$ -	\$ 243,930	\$ 243,930	\$ 205,917
Contributions	249,924	-	249,924	219,583
Special events	31,580	-	31,580	38,275
Participant fees	59,677	-	59,677	53,259
PPP loan forgiveness	61,500	-	61,500	-
Miscellaneous	1,522	-	1,522	352
Total support and revenue	404,203	243,930	648,133	517,386
Net assets released from restriction				
Satisfaction of restrictions	243,930	(243,930)	-	-
Total	648,133	-	648,133	517,386
EXPENSES				
Program	386,733	-	386,733	420,995
Total program expenses	386,733	-	386,733	420,995
Support expenses				
General and administration	80,362	-	80,362	49,251
Fundraising	41,561	-	41,561	57,649
Total support expenses	121,923	-	121,923	106,900
Total expenses	508,656	-	508,656	527,895
Change in net assets from operations	139,477	-	139,477	(10,509)
INVESTMENT ACTIVITIES				
Dividend and interest income	15,339	-	15,339	18,912
Realized gain/(loss)	17,207	-	17,207	(4,897)
Unrealized gain/(loss)	214,360	-	214,360	(14,767)
Investment expenses	(9,968)	-	(9,968)	(8,434)
Gain/(loss) on asset disposal	(108)	-	(108)	-
Total investment activities	236,830	-	236,830	(9,186)
Changes in net assets	376,307	-	376,307	(19,695)
Net assets - beginning of year	949,705	-	949,705	969,400
Net assets - end of year	\$ 1,326,012	\$ -	\$ 1,326,012	\$ 949,705

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
Salaries and wages	\$ 268,327	\$ 58,391	\$ 22,255	\$ 348,973	\$ 309,426
Employee benefits	33,313	6,933	2,788	43,034	39,571
Payroll taxes	18,668	4,121	1,455	24,244	22,762
Office supplies	8,447	407	1,324	10,178	7,281
Networking/marketing	3,545	171	555	4,271	3,788
Telephone	2,046	99	320	2,465	2,420
Postage and shipping	2,118	102	332	2,552	2,771
Occupancy	20,624	994	3,230	24,848	37,650
Travel	1,133	55	177	1,365	8,793
Depreciation	405	19	63	487	6,797
Fundraising	-	-	7,389	7,389	7,871
Miscellaneous	384	23	-	407	147
Insurance	11,222	2,257	1,171	14,650	13,677
Program events	8,303	-	-	8,303	12,027
Professional fees	4,112	6,422	168	10,702	11,474
Training	1,335	64	209	1,608	399
Website fee	799	39	125	963	37,450
Bad debt	1,952	-	-	1,952	3,528
Board projects	-	265	-	265	63
Total	<u>\$ 386,733</u>	<u>\$ 80,362</u>	<u>\$ 41,561</u>	<u>\$ 508,656</u>	<u>\$ 527,895</u>

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 376,307	\$ (19,695)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	487	6,797
Debt forgiveness - Paycheck Protection Program	(61,500)	-
Realized (gain)/loss	(17,207)	4,897
Unrealized (gain)/loss	(214,360)	14,767
(Gain)/loss on asset disposal	108	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	(22,232)	(7,327)
(Increase) decrease in due from related party	1,352	(1,352)
(Increase) decrease in other assets	691	(2,395)
Increase (decrease) in accounts payable	(65)	-
Increase (decrease) in credit card payable	(3,682)	1,579
Increase (decrease) in accrued expenses	1,921	(4,900)
Increase (decrease) in accrued vacation	868	1,633
Increase (decrease) in accrued payroll	1,202	886
Increase (decrease) in deferred revenue	7,082	1,000
Increase (decrease) in other liabilities	474	-
Net cash provided by (used in) operating activities	71,446	(4,110)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(230,154)	(9,102)
Proceeds from sales of investments	49,384	3,694
Purchase of property and equipment	-	(839)
Net cash provided by (used in) investing activities	(180,770)	(6,247)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	-	61,500
Net cash provided by (used in) financing activities	-	61,500
Net increase (decrease) in cash and cash equivalents	(109,324)	51,143
Cash and cash equivalents - beginning of year	334,886	283,743
Cash and cash equivalents - end of year	\$ 225,562	\$ 334,886

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Pathways to Independence (the Organization) provides social interaction and community engagement training to individuals whose social competencies have been impacted by complex learning disabilities and associated developmental disorders. The Organization's programs are supported primarily by contributions and grants.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. The Organization presently has no net assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2020, from which the summarized information was derived.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

Use of Estimates in the Financial Statements

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

Property and Equipment

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded with donor restriction. In the absence of such stipulations, contributions of property and equipment are recorded without donor restrictions. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives of 5-7 years have been used, depending on the type of asset. Routine repairs and maintenance are expensed as incurred. Depreciation expense for the fiscal years ended June 30, 2021 and 2020 was \$487 and \$6,797, respectively.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

The Organization adopted the provisions of *Accounting for Uncertainty in Income Taxes* on July 1, 2009. The adoption of this guidance resulted in no change to the financial statements for prior periods. As of June 30, 2021, no amounts have been recognized for uncertain tax positions. Any returns that the Organization would have prepared for fiscal years 2017 and prior are now closed.

Receivables

The Organization utilizes the allowance method for uncollectible member fees and other receivables. As of June 30, 2021 and 2020, the Organization had an allowance for doubtful accounts balance of \$2,500 and \$3,600, respectively.

Donated Services

No amounts have been recognized in the accompanying statement of activities for volunteer services because the criteria for recognition of such efforts under accounting standards have not been satisfied.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

New Accounting Pronouncement

As of July 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), that replaces previously existing revenue recognition guidance. The new standard requires companies to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, Topic 606 requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Adoption of ASU 2014-09 will have no impact on the previously reported financial statements.

Investments

The Organization has adopted "Accounting for Certain Investments Held by Non-Profit Organizations." Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

NOTE 2 - NOTE PAYABLE

In April 2020, the Organization received loan proceeds in the amount of \$61,500 under the Paycheck Protection Program ("PPP"). The PPP is administered by the Small Business Administration. The loan and accrued interest are forgivable after eight to twenty-four weeks as long as the Organization uses the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. On March 24, 2021, the entire loan balance was forgiven, and \$61,500 was recorded as PPP loan forgiveness on the statement of activities. The loan balance as of June 30, 2021 and June 30, 2020 was \$0 and \$61,500, respectively.

NOTE 3 - RETIREMENT PLAN

The Organization participates in a SIMPLE IRA plan and matches up to 3% for all employees meeting the plan eligibility requirements. The Organization incurred expenses in relation to the plan in the amounts of \$8,894 and \$7,750 for the fiscal years ended June 30, 2021 and 2020, respectively.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

NOTE 5 - LEASE OBLIGATIONS

The Organization leased two office spaces in Clayton, Missouri, Suites 102 and 103. The lease term for Suite 102 was August 2016 through July 2020. Monthly rents were \$1,231 through July 2018 and then \$1,281 through July 2020. The lease term for Suite 103 was July 2016 through July 2020. Monthly rents were \$1,148 through July 2018 and then \$1,194 through July 2020. The Organization was also obligated to pay certain common area maintenance charges billed by the landlord.

Expenses associated with these leases totaled \$2,475 and \$37,650 in fiscal years 2021 and 2020, respectively.

On April 17, 2020, the Organization entered into a lease agreement jointly with two other non-profit organizations for the use of office space in Creve Coeur, Missouri. The lease term is August 1, 2020 to November 30, 2030. Monthly rent payments range from \$8,143 to \$10,117. The Organization's portion of the lease is 35%. In the event of nonpayment by the other organizations, Pathways to Independence is required to make payments to cover the shortfall. Monthly rent payments for the Organization range from \$2,850 to \$3,541 during the lease term.

Expenses associated with the lease totaled \$22,373 and \$0 in fiscal years 2021 and 2020, respectively.

Future minimum lease payments are as follows:

Fiscal year ending June 30,	Organization obligation	Total lease obligation
2022	\$ 34,502	\$ 98,577
2023	35,022	100,063
2024	35,841	102,403
2025	36,876	105,360
2026	37,914	108,326
2027 and thereafter	179,722	513,491
Total	<u>\$ 359,877</u>	<u>\$ 1,028,220</u>

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6 - ACCRUED VACATION PAY

Employees of the Organization are entitled to paid vacation, depending on the length of service and job classification. Unused vacation accrued during each year of employment may be carried forward into future years, but each employee is capped at a maximum accrual of 20 days. Vacation pay is payable upon termination if the employee gives proper notice and is in good standing with the Organization upon leaving. The accrued vacation pay balances as of June 30, 2021 and June 30, 2020 were \$15,238 and \$14,370, respectively.

NOTE 7 - FAIR VALUE MEASUREMENTS

Fair Value Measurements

Financial Accounting Standards Board Statement, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under this statement are described as follows:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes during fiscal 2021 to the methodologies used.

Mutual funds: Valued at the net asset value of shares held by the Organization at fiscal year-end.

Exchange-traded funds: Valued at the closing price reported on the active market on which the securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 7 - FAIR VALUE MEASUREMENTS (continued)

The following table presents the Organization's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2021 and 2020:

	Level 1	Level 2	Level 3	2021
Mutual funds	\$ 475,693	\$ -	\$ -	\$ 475,693
Exchange-traded funds	640,156	-	-	640,156
Total	<u>\$1,115,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,115,849</u>

	Level 1	Level 2	Level 3	2020
Mutual funds	\$ 284,994	\$ -	\$ -	\$ 284,994
Exchange-traded funds	418,518	-	-	418,518
Total	<u>\$ 703,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,512</u>

NOTE 8 - RELATED PARTIES AND SUBSIDIARY ORGANIZATION

On April 29, 2020, the Organization, along with two other non-profit organizations, formed a new subsidiary LLC known as IDD Collaborative LLC. Pathways to Independence owns 33.33% of the LLC, and the purpose of the new entity is to share lease and other operating costs. The two other members are Options for Justice for Persons with Developmental Disabilities and LifeBridge Partnership. The Organization paid \$21,998 to IDD Collaborative LLC during the fiscal year.

NOTE 9 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2021:

Financial assets at fiscal year-end	
Cash and cash equivalents	\$ 225,562
Investments	1,115,849
Accounts receivable, net of allowance	<u>39,640</u>
Total financial assets at fiscal year-end	<u>1,381,051</u>
Less amounts not available for general expenditures within one year:	
Net assets with period restrictions in excess of one year	-
Net assets with purpose restrictions	<u>-</u>
Total amounts not available to meet general expenditures within one year	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,381,051</u>

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 10 - PROPERTY AND EQUIPMENT

The following components comprise property and equipment as of June 30, 2021 and 2020:

	2021	2020
Furniture and equipment	\$ 839	\$ 9,846
Vehicles	29,495	29,495
Total depreciable assets	30,334	39,341
Accumulated depreciation	(29,735)	(38,147)
Property and equipment, net	<u>\$ 599</u>	<u>\$ 1,194</u>

NOTE 11 - REVENUE RECOGNITION

Contracts with Customers

The Organization recognized \$59,677 of revenue from dues received from participants during the fiscal year 2021. No impairment losses were recognized on receivables or contract assets.

Disaggregated Revenue

Participant fees are recognized at a point in time when the service is provided. The Organization provides services to individuals whose social competencies have been impacted by complex learning disabilities and associated developmental disorders. Due to the nature of the Organization's revenue, economic factors do not materially affect the nature, timing, and uncertainty of revenues or cash flows from membership dues.

Contract Balances

The beginning and ending contract-type balances were as follows:

	2021	June 30, 2020	2019
Accounts receivable, net of allowance	\$ 4,683	\$ 3,354	\$ 8,054
Deferred revenue	27,632	20,550	19,550

Performance Obligations

Contract performance for participant obligations is satisfied at a point in time when the service is provided.

The Organization does not charge interest on accounts receivable. Fees can be refunded to individuals who drop out of the program, upon request.

Practical Expedients Used for Financing Components

There is no financing component to the Organization's recognition of revenue.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 11 - REVENUE RECOGNITION (continued)

Significant Judgments

Since participant fees are charged at fixed rates, management does not utilize judgment in the recognition of participant fees. During fiscal 2021 there were no changes in recognition methodology. Also, during fiscal 2021 there were no changes in the judgments utilized for determining the timing of the satisfaction of performance obligations or transaction prices allocated to performance obligations.

Adjusting consideration for the effects of the time value of money is not necessary for the Organization's receivables. Further, the financial statements include no estimates of variable consideration or noncash consideration.

There have been no allocations of transaction prices, including estimates of standalone selling prices of goods or services promised, or allocation of discounts and variable consideration to a particular part of a contract.

Transition Disclosures

The Organization adopted ASC 606 on June 1, 2020, and it was applied retrospectively using the *Modified Retrospective Method*. The difference between contract-type revenue using prior revenue recognition methods and revenue using new guidance is \$0. The practical expedient used to analyze the effect of the adoption of ASC 606 was the *Right to Invoice* expedient. There was no difference in methods used for recognition of contract revenue with members versus revenue from non-members.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 20, 2021, the date the financial statements were available to be issued, and noted no reportable events.

SUPPLEMENTAL INFORMATION

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Developmental Disabilities Resource Board (St. Charles County)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 78,144
2. Personnel Costs - Benefits	16,335
3. Facility Costs	8,867
4. Consumable Project Equipment and Supplies	2,775
5. Office Equipment and Supplies	2,875
6. Communication	3,758
7. Staff Training	502
8. Staff Travel	426
9. Vehicle Operating Costs	154
10. Professional Services / Fees	341
11. Client Assistance	2,733
12. Food Costs	440
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Total Project Direct Expenses	117,350

Indirect Expenses:

13 Administrative Allocation	17,602
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Total Project Expenses	\$ 134,952

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Developmental Disabilities Resources - Adult Skills Development
(St. Louis City)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 11,722
2. Personnel Costs - Benefits	2,450
3. Facility Costs	1,330
4. Consumable Project Equipment and Supplies	416
5. Office Equipment and Supplies	431
6. Communication	564
7. Staff Training	75
8. Staff Travel	64
9. Vehicle Operating Costs	23
10. Professional Services / Fees	51
11. Client Assistance	410
12. Food Costs	66
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Total Project Direct Expenses	17,602

Indirect Expenses:

13 Administrative Allocation	2,640
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Total Project Expenses	\$ 20,242

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Productive Living Board - Adult Skills Development
(St. Louis County)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 97,680
2. Personnel Costs - Benefits	20,419
3. Facility Costs	11,084
4. Consumable Project Equipment and Supplies	3,469
5. Office Equipment and Supplies	3,594
6. Communication	4,698
7. Staff Training	627
8. Staff Travel	532
9. Vehicle Operating Costs	193
10. Professional Services / Fees	426
11. Client Assistance	3,416
12. Food Costs	549
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Total Project Direct Expenses	146,687

Indirect Expenses:

13 Administrative Allocation	22,003
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Total Project Expenses	\$ 168,690

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Developmental Disabilities Resources - Adult Skills Development
(Jefferson County)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 7,814
2. Personnel Costs - Benefits	1,634
3. Facility Costs	887
4. Consumable Project Equipment and Supplies	278
5. Office Equipment and Supplies	288
6. Communication	376
7. Staff Training	50
8. Staff Travel	42
9. Vehicle Operating Costs	15
10. Professional Services / Fees	34
11. Client Assistance	273
12. Food Costs	44
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Total Project Direct Expenses	11,735

Indirect Expenses:

13 Administrative Allocation	1,760
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Total Project Expenses	\$ 13,495

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Productive Living Board - GAP (St. Louis County)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 24,067
2. Personnel Costs - Benefits	4,806
3. Facility Costs	392
4. Consumable Project Equipment and Supplies	22
5. Office Equipment and Supplies	127
6. Communication	166
7. Staff Training	22
8. Staff Travel	19
9. Vehicle Operating Costs	7
10. Professional Services / Fees	15
11. Client Assistance	32
12. Food Costs	140
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Total Project Direct Expenses	29,815

Indirect Expenses:

13 Administrative Allocation	4,472
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Total Project Expenses	\$ 34,287

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Developmental Disabilities Resources - Young Adult Skills
Development (St. Louis City)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 15,982
2. Personnel Costs - Benefits	3,054
3. Facility Costs	321
4. Consumable Project Equipment and Supplies	455
5. Office Equipment and Supplies	104
6. Communication	136
7. Staff Training	18
8. Staff Travel	14
9. Vehicle Operating Costs	6
10. Professional Services / Fees	12
11. Client Assistance	27
12. Food Costs	115
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Total Project Direct Expenses	20,244

Indirect Expenses:

13 Administrative Allocation	3,037
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Total Project Expenses	\$ 23,281

PATHWAYS TO INDEPENDENCE
UNAUDITED FUNCTIONAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Productive Living Board - Young Adult Skills Development
(St. Louis County)

Project Expenses

Direct Expenses:

1. Personnel Costs - Wages	\$ 30,000
2. Personnel Costs - Benefits	
3. Facility Costs	-
4. Consumable Project Equipment and Supplies	-
5. Office Equipment and Supplies	-
6. Communication	-
7. Staff Training	-
8. Staff Travel	-
9. Vehicle Operating Costs	-
10. Professional Services / Fees	-
11. Client Assistance	-
12. Food Costs	-
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Total Project Direct Expenses	30,000

Indirect Expenses:

13 Administrative Allocation	-
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Total Project Expenses	\$ 30,000