

**PATHWAYS TO INDEPENDENCE**  
**AUDITED FINANCIAL STATEMENTS**  
**FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

# PATHWAYS TO INDEPENDENCE

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Pathways to Independence

### Opinion

We have audited the accompanying financial statements of Pathways to Independence (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, 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.

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, 2022, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pathways to Independence and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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; 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 Pathways to Independence's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted 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 Pathways to Independence'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 Pathways to Independence'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.

### **Report on Summarized Comparative Information**

We have previously audited Pathways to Independence's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 supplementary audited unit cost reports on pages 13-20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Fick, Eggemeyer, & Williamson*

Fick, Eggemeyer & Williamson, CPAs  
Saint Louis, Missouri  
December 20, 2022

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 252,859	\$ 225,562
Investments	935,475	1,115,849
Accounts receivable, net of allowance	37,885	39,640
Other assets	8,085	8,095
Total current assets	1,234,304	1,389,146
<b>NONCURRENT ASSETS</b>		
Property and equipment, net accumulated depreciation	9,760	599
Total noncurrent assets	9,760	599
Total assets	\$ 1,244,064	\$ 1,389,745

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Credit card payable	\$ 2,995	\$ 3,751
Accrued expenses	800	2,423
Accrued vacation	16,535	15,238
Accrued payroll	15,881	14,215
Deferred revenue	35,260	27,632
Other liabilities	-	474
Total current liabilities	71,471	63,733
<b>NONCURRENT LIABILITIES</b>		
None	-	-
Total noncurrent liabilities	-	-
Total liabilities	71,471	63,733
<b>NET ASSETS</b>		
Without donor restriction	1,172,593	1,326,012
With donor restriction	-	-
Total net assets	1,172,593	1,326,012
Total liabilities and net assets	\$ 1,244,064	\$ 1,389,745

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Without Donor restriction	With Donor restriction	2022 Total	2021 Totals
<b>SUPPORT AND REVENUE</b>				
Grants	\$ -	\$ 286,846	\$ 286,846	\$ 243,930
Contributions	178,005	-	178,005	249,924
Special events	35,687	-	35,687	31,580
Participant fees	91,272	-	91,272	59,677
Debt forgiveness - Paycheck Protection Program	-	-	-	61,500
Other	775	-	775	1,522
Total support and revenue	305,739	286,846	592,585	648,133
Net assets released from restriction				
Satisfaction of restrictions	286,846	(286,846)	-	-
Total	592,585	-	592,585	648,133
<b>EXPENSES</b>				
Program	463,138	-	463,138	386,733
Total program expenses	463,138	-	463,138	386,733
Support expenses				
General and administration	59,248	-	59,248	80,362
Fundraising	48,213	-	48,213	41,561
Total support expenses	107,461	-	107,461	121,923
Total expenses	570,599	-	570,599	508,656
Change in net assets from operations	21,986	-	21,986	139,477
<b>INVESTMENT ACTIVITIES</b>				
Dividend and interest income	28,186	-	28,186	15,339
Realized gain(loss) on investments	2,588	-	2,588	17,207
Unrealized gain(loss) on investments	(199,805)	-	(199,805)	214,360
Investment expenses	(10,619)	-	(10,619)	(9,968)
Gain(loss) on asset disposal	4,245	-	4,245	(108)
Total investment activities	(175,405)	-	(175,405)	236,830
Changes in net assets	(153,419)	-	(153,419)	376,307
Net assets - beginning of year	1,326,012	-	1,326,012	949,705
Net assets - end of year	<u>\$ 1,172,593</u>	<u>\$ -</u>	<u>\$ 1,172,593</u>	<u>\$ 1,326,012</u>

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>2022 Total</u>	<u>2021 Total</u>
Salaries and wages	\$ 300,702	\$ 39,122	\$ 12,344	\$ 352,168	\$ 348,973
Employee benefits	60,088	5,881	4,182	70,151	43,034
Payroll taxes	22,151	2,867	1,042	26,060	24,244
Office supplies	7,369	254	847	8,470	10,178
Networking and marketing	1,784	62	205	2,051	4,271
Telephone	1,993	69	229	2,291	2,465
Postage and shipping	2,579	89	296	2,964	2,552
Occupancy	30,291	1,045	3,482	34,818	24,848
Transportation	5,522	91	296	5,909	1,365
Fundraising	-	-	23,442	23,442	7,389
Insurance	11,676	2,280	1,280	15,236	14,650
Program events	13,523	-	-	13,523	8,303
Professional fees	1,701	7,149	148	8,998	10,702
Training	529	25	83	637	1,608
Website fees	738	25	85	848	963
Board projects	-	214	-	214	265
Depreciation	1,839	63	211	2,113	487
Bad debt	300	-	-	300	1,952
Other	353	12	41	406	407
Total	<u>\$ 463,138</u>	<u>\$ 59,248</u>	<u>\$ 48,213</u>	<u>\$ 570,599</u>	<u>\$ 508,656</u>

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (153,419)	\$ 376,307
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,113	487
Debt forgiveness income - Paycheck Protection Program	-	(61,500)
Realized (gain)loss on investments	(2,588)	(17,207)
Unrealized (gain)loss on investments	199,805	(214,360)
(Gain)loss on asset disposal	(4,245)	108
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	1,755	(22,232)
(Increase) decrease in due from related party	-	1,352
(Increase) decrease in other assets	10	691
Increase (decrease) in accounts payable	-	(65)
Increase (decrease) in credit card payable	(756)	(3,682)
Increase (decrease) in accrued expenses	(1,623)	1,921
Increase (decrease) in accrued vacation	1,297	868
Increase (decrease) in accrued payroll	1,666	1,202
Increase (decrease) in deferred revenue	7,628	7,082
Increase (decrease) in other liabilities	(474)	474
Net cash provided by (used in) operating activities	51,169	71,446
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(66,227)	(230,154)
Proceeds from sales of investments	49,384	49,384
Purchases of property and equipment	(7,029)	-
Net cash provided by (used in) investing activities	(23,872)	(180,770)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
None	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	27,297	(109,324)
Cash and cash equivalents - beginning of year	225,562	334,886
Cash and cash equivalents - end of year	\$ 252,859	\$ 225,562

See accompanying notes and independent auditors' report



PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**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 ("U.S. 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 that are 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 statements of activities.

Measure of Operations

The statements of activities report 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, 2021, from which the summarized information was derived.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Network and Marketing

The Organization uses marketing to promote its programs among the audiences it serves. Network and marketing costs are expensed as incurred. Network and marketing expense for the fiscal years ended June 30, 2022 and 2021 was \$2,051 and \$4,271, respectively.

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 5-8 years have been used, depending on the type of asset. Leaseholds have a useful life equal to the remaining life of the lease. Routine repairs and maintenance are expensed as incurred. Depreciation expense for the fiscal years ended June 30, 2022 and 2021 was \$2,113 and \$487, 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, 2022, no amounts have been recognized for uncertain tax positions. Tax returns prepared for years 2018 and prior are now closed.

Receivables

The Organization utilizes the allowance method for uncollectible member fees and other receivables. As of June 30, 2022 and 2021, the Organization had an allowance for doubtful accounts balance of \$2,200 and \$2,500, respectively.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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.

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, depending on the nature of the restriction, is accomplished), 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.

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 statements of financial position. Unrealized gains and losses are included in the statements 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 Debt forgiveness - PPP on the statements of activities. During fiscal year 2022, the Organization took out no new debts. The loan balance as of June 30, 2022 and June 30, 2021 was \$0 and \$0, 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 \$9,222 and \$8,894 for the fiscal years ended June 30, 2022 and 2021, respectively.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing programs and other activities have been summarized on a functional basis in the statements 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 during fiscal year 2021.

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 \$2,893 during the lease term.

Expenses associated with the lease totaled \$34,545 and \$22,373 during fiscal years 2022 and 2021, respectively.

Future minimum lease payments are as follows:

Fiscal year ending June 30,	Organization obligation	Total lease obligation
2023	\$ 35,022	\$ 100,063
2024	35,841	102,403
2025	36,876	105,360
2026	37,914	108,326
2027	38,952	111,291
2028 and thereafter	140,770	402,200
Total	<u>\$ 325,375</u>	<u>\$ 929,643</u>

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**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, 2022 and June 30, 2021 were \$16,535 and \$15,238, 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 2022 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, 2022 AND 2021

**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, 2022 and 2021:

	Level 1	Level 2	Level 3	2022
Mutual funds	\$ 392,392	\$ -	\$ -	\$ 392,392
Exchange-traded funds	543,083	-	-	543,083
Total	<u>\$ 935,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,475</u>

  

	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>

**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 \$38,336 and \$21,998 to IDD Collaborative LLC during fiscal years 2022 and 2021, respectively.

**NOTE 9 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets at June 30, 2022 and 2021:

	2022	2021
Financial assets at fiscal year-end		
Cash and cash equivalents	\$ 252,859	\$ 225,562
Investments	935,475	1,115,849
Accounts receivable, net of allowance	37,885	39,640
Total financial assets at fiscal year-end	<u>1,226,219</u>	<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	-	-
Total amounts not available to meet general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,226,219</u>	<u>\$ 1,381,051</u>

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE 10 - PROPERTY AND EQUIPMENT**

The following components comprise property and equipment as of June 30, 2022 and 2021:

	2022	2021
Leaseholds	\$ 3,482	\$ -
Furniture and equipment	8,631	839
Vehicles	-	29,495
Total depreciable assets	12,113	30,334
Accumulated depreciation	(2,353)	(29,735)
Property and equipment, net	\$ 9,760	\$ 599

**NOTE 11 - REVENUE RECOGNITION**

Contracts with Customers

The Organization recognized \$91,272 and \$59,677 of revenue from dues received from participants during fiscal years ended June 30, 2022 and 2021, respectively. Impairment losses of \$1,952 and \$300 for bad debt were recognized during fiscal years ended June 30, 2022 and 2021 respectively.

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:

	For the fiscal years ending June 30,		
	2022	2021	2020
Accounts receivable, net of allowance	\$ 2,625	\$ 4,683	\$ 3,354
Deferred revenue	35,260	27,632	20,550

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

**NOTE 11 - REVENUE RECOGNITION** (continued)

Performance Obligations

- Performance obligations for contract revenues are satisfied when services are delivered and contract revenue is shown on the statements of activities as participant fees.
- The Organization does not charge interest on accounts receivable for delinquent balances.
- The Organization delivers services to its customers on a contractual basis, which can be subject to change.
- The Organization has no formal obligation to customers for returns or refunds.

Significant Judgments

Since participant fees are charged at fixed rates, management does not utilize judgment in the recognition of participant fees. During fiscal 2022 there were no changes in recognition methodology. Also, during fiscal 2022 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.

**NOTE 12 – CONCENTRATION OF CREDIT RISK**

The Organization maintains accounts with various banks. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2022 and 2021, the carrying amounts of deposits and bank balances did not exceed the federally insured limit.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 21, 2022, 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 YEARS ENDED JUNE 30, 2022 AND 2021

**Developmental Disabilities Resource Board (St. Charles County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 92,864	\$ 78,144
2. Personnel Costs - Benefits	19,172	16,335
3. Facility Costs	10,329	8,867
4. Consumable Project Equipment and Supplies	4,588	2,775
5. Office Equipment and Supplies	1,914	2,875
6. Communication	2,446	3,758
7. Staff Training	151	502
8. Staff Travel	538	426
9. Vehicle Operating Costs	1,036	154
10. Professional Services / Fees	269	341
11. Client Assistance	2,596	2,733
12. Food Costs	1,013	440
<b>Total Project Direct Expenses</b>	<b>136,916</b>	<b>117,350</b>

**Indirect Expenses:**

13 Administrative Allocation	20,537	17,602
<b>Total Project Expenses</b>	<b>\$ 157,453</b>	<b>\$ 134,952</b>

PATHWAYS TO INDEPENDENCE  
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**Developmental Disabilities Resources - Adult Skills Development (St. Louis City)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 17,106	\$ 11,722
2. Personnel Costs - Benefits	3,532	2,450
3. Facility Costs	1,903	1,330
4. Consumable Project Equipment and Supplies	845	416
5. Office Equipment and Supplies	352	431
6. Communication	450	564
7. Staff Training	28	75
8. Staff Travel	99	64
9. Vehicle Operating Costs	191	23
10. Professional Services / Fees	50	51
11. Client Assistance	478	410
12. Food Costs	187	66
<b>Total Project Direct Expenses</b>	<b>25,221</b>	<b>17,602</b>

**Indirect Expenses:**

13 Administrative Allocation	3,783	2,640
<b>Total Project Expenses</b>	<b>\$ 29,004</b>	<b>\$ 20,242</b>

PATHWAYS TO INDEPENDENCE  
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**Productive Living Board - Adult Skills Development**  
**(St. Louis County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 124,633	\$ 97,680
2. Personnel Costs - Benefits	25,732	20,419
3. Facility Costs	13,863	11,084
4. Consumable Project Equipment and Supplies	6,157	3,469
5. Office Equipment and Supplies	2,569	3,594
6. Communication	3,282	4,698
7. Staff Training	202	627
8. Staff Travel	722	532
9. Vehicle Operating Costs	1,390	193
10. Professional Services / Fees	362	426
11. Client Assistance	3,484	3,416
12. Food Costs	1,360	549
<b>Total Project Direct Expenses</b>	<b>183,756</b>	<b>146,687</b>

**Indirect Expenses:**

13 Administrative Allocation	27,563	22,003
<b>Total Project Expenses</b>	<b>\$ 211,319</b>	<b>\$ 168,690</b>

PATHWAYS TO INDEPENDENCE  
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**Developmental Disabilities Resources - Adult Skills Development**  
**(Jefferson County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 9,775	\$ 7,814
2. Personnel Costs - Benefits	2,018	1,634
3. Facility Costs	1,087	887
4. Consumable Project Equipment and Supplies	483	278
5. Office Equipment and Supplies	202	288
6. Communication	257	376
7. Staff Training	16	50
8. Staff Travel	57	42
9. Vehicle Operating Costs	109	15
10. Professional Services / Fees	28	34
11. Client Assistance	273	273
12. Food Costs	107	44
<b>Total Project Direct Expenses</b>	<b>14,412</b>	<b>11,735</b>

**Indirect Expenses:**

13 Administrative Allocation	2,162	1,760
<b>Total Project Expenses</b>	<b>\$ 16,574</b>	<b>\$ 13,495</b>

PATHWAYS TO INDEPENDENCE  
 UNAUDITED FUNCTIONAL REPORT  
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**Productive Living Board - GAP (St. Louis County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 14,932	\$ 24,067
2. Personnel Costs - Benefits	2,955	4,806
3. Facility Costs	1,421	392
4. Consumable Project Equipment and Supplies	139	22
5. Office Equipment and Supplies	263	127
6. Communication	336	166
7. Staff Training	21	22
8. Staff Travel	74	19
9. Vehicle Operating Costs	142	7
10. Professional Services / Fees	37	15
11. Client Assistance	12	32
12. Food Costs	94	140
<b>Total Project Direct Expenses</b>	<b>20,426</b>	<b>29,815</b>

**Indirect Expenses:**

13 Administrative Allocation	3,064	4,472
<b>Total Project Expenses</b>	<b>\$ 23,490</b>	<b>\$ 34,287</b>

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

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 12,626	\$ 15,982
2. Personnel Costs - Benefits	2,677	3,054
3. Facility Costs	1,631	321
4. Consumable Project Equipment and Supplies	300	455
5. Office Equipment and Supplies	302	104
6. Communication	386	136
7. Staff Training	24	18
8. Staff Travel	85	14
9. Vehicle Operating Costs	164	6
10. Professional Services / Fees	43	12
11. Client Assistance	14	27
12. Food Costs	84	115
<b>Total Project Direct Expenses</b>	<b>18,336</b>	<b>20,244</b>

**Indirect Expenses:**

13 Administrative Allocation	2,750	3,037
<b>Total Project Expenses</b>	<b>\$ 21,086</b>	<b>\$ 23,281</b>

PATHWAYS TO INDEPENDENCE  
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**Productive Living Board - Young Adult Skills Development**  
**(St. Louis County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 13,100	\$ 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	-	-
	<b>13,100</b>	<b>30,000</b>

**Indirect Expenses:**

13 Administrative Allocation	-	-
<b>Total Project Expenses</b>	<b>\$ 13,100</b>	<b>\$ 30,000</b>



PATHWAYS TO INDEPENDENCE  
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**Developmental Disabilities Resources Board- Young Adult Skills  
 Development (St. Charles County)**

**Project Expenses**

**Direct Expenses:**

	<b>2022</b>	<b>2021</b>
1. Personnel Costs - Wages	\$ 25,253	\$ -
2. Personnel Costs - Benefits	5,354	-
3. Facility Costs	3,262	-
4. Consumable Project Equipment and Supplies	601	-
5. Office Equipment and Supplies	604	-
6. Communication	772	-
7. Staff Training	47	-
8. Staff Travel	170	-
9. Vehicle Operating Costs	327	-
10. Professional Services / Fees	85	-
11. Client Assistance	27	-
12. Food Costs	169	-
<b>Total Project Direct Expenses</b>	<b>36,671</b>	<b>-</b>

**Indirect Expenses:**

13 Administrative Allocation	5,501	-
<b>Total Project Expenses</b>	<b>\$ 42,172</b>	<b>\$ -</b>