


**PATHWAYS TO INDEPENDENCE**  
**AUDITED FINANCIAL STATEMENTS**  
**FISCAL YEARS ENDED JUNE 30, 2023 AND 2022**

# PATHWAYS TO INDEPENDENCE

## CONTENTS


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	<u>Pages</u>
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	
Financial Statements	
Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3
Statements of Cash Flows	4
Notes to Financial Statements	5-12
<b>SUPPLEMENTAL INFORMATION:</b>	
Unit Cost Reports	13-18

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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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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, CPAs*

Fick, Eggemeyer & Williamson, CPAs

Saint Louis, Missouri

October 25, 2023

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 272,816	\$ 252,859
Investments	1,098,657	935,475
Accounts receivable, net of allowance	26,899	37,885
Other assets	15,876	8,085
Total current assets	1,414,248	1,234,304
<b>NONCURRENT ASSETS</b>		
Property and equipment, net accumulated depreciation	7,646	9,760
Right of use asset	248,183	-
Total noncurrent assets	255,829	9,760
Total assets	\$ 1,670,077	\$ 1,244,064

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,425	\$ -
Credit card payable	4,232	2,995
Accrued expenses	13,912	800
Accrued vacation	11,733	16,535
Accrued payroll	14,992	15,881
Deferred revenue	38,828	35,260
Future minimum liabilities obligation	27,026	-
Total current liabilities	114,148	71,471
<b>NONCURRENT LIABILITIES</b>		
Future minimum lease obligation, net current portion	221,157	-
Total noncurrent liabilities	221,157	-
Total liabilities	335,305	71,471
<b>NET ASSETS</b>		
Without donor restriction	1,334,772	1,172,593
With donor restriction	-	-
Total net assets	1,334,772	1,172,593
Total liabilities and net assets	\$ 1,670,077	\$ 1,244,064

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Without Donor restriction	With Donor restriction	2023 Total	2022 Totals
<b>SUPPORT AND REVENUE</b>				
Grants	\$ -	\$ 253,708	253,708	\$ 286,846
Contributions	356,872	-	356,872	178,005
Special events	41,812	-	41,812	35,687
Participant fees	98,838	-	98,838	91,272
Other	141	-	141	775
Total support and revenue	497,663	253,708	751,371	592,585
Net assets released from restriction				
Satisfaction of restrictions	253,708	(253,708)	-	-
Total	751,371	-	751,371	592,585
<b>EXPENSES</b>				
Program	533,691	-	533,691	463,138
Total program expenses	533,691	-	533,691	463,138
Support expenses				
General and administration	65,245	-	65,245	59,248
Fundraising	78,939	-	78,939	48,213
Total support expenses	144,184	-	144,184	107,461
Total expenses	677,875	-	677,875	570,599
Change in net assets from operations	73,496	-	73,496	21,986
<b>INVESTMENT ACTIVITIES</b>				
Dividend and interest income	26,159	-	26,159	28,186
Realized gain(loss) on investments	-	-	-	2,588
Unrealized gain(loss) on investments	72,953	-	72,953	(199,805)
Investment expenses	(10,429)	-	(10,429)	(10,619)
Gain(loss) on asset disposal	-	-	-	4,245
Total investment activities	88,683	-	88,683	(175,405)
Changes in net assets	162,179	-	162,179	(153,419)
Net assets - beginning of year	1,172,593	-	1,172,593	1,326,012
Net assets - end of year	\$ 1,334,772	\$ -	\$ 1,334,772	\$ 1,172,593

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	<u>Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2022 Total</u>
Salaries and wages	\$ 333,498	\$ 42,060	\$ 12,852	\$ 388,410	\$ 352,168
Employee benefits	38,911	5,036	1,831	45,778	70,151
Payroll taxes	24,344	3,150	1,146	28,640	26,060
Office supplies	5,193	179	597	5,969	8,470
Networking and Telephone	13,558	468	1,558	15,584	7,306
Occupancy	30,816	1,063	3,542	35,421	34,818
Transportation and mileage	9,550	230	748	10,528	5,909
Fundraising	1,894	-	50,996	52,890	23,442
Insurance	13,031	2,457	1,419	16,907	15,236
Program events	28,177	-	-	28,177	13,523
Training	967	47	151	1,165	637
Website	-	-	-	-	848
Professional fees	30,736	8,860	3,871	43,467	8,998
Board projects	-	1,627	-	1,627	214
Depreciation	1,839	63	211	2,113	2,113
Bad debt	1,000	-	-	1,000	300
Miscellaneous	177	5	17	199	406
Total	<u>\$ 533,691</u>	<u>\$ 65,245</u>	<u>\$ 78,939</u>	<u>\$ 677,875</u>	<u>\$ 570,599</u>

See accompanying notes and independent auditors' report

PATHWAYS TO INDEPENDENCE  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 162,179	\$ (153,419)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,113	2,113
Realized (gain)loss on investments	-	(2,588)
Unrealized (gain)loss on investments	(72,953)	199,805
(Gain)loss on asset disposal	-	(4,245)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	10,986	1,755
(Increase) decrease in other assets	(7,791)	10
Increase (decrease) in accounts payable	3,425	-
Increase (decrease) in credit card payable	1,237	(756)
Increase (decrease) in accrued expenses	13,112	(1,623)
Increase (decrease) in accrued vacation	(4,802)	1,297
Increase (decrease) in accrued payroll	(889)	1,666
Increase (decrease) in deferred revenue	3,568	7,628
Increase (decrease) in other liabilities	-	(474)
	<u>110,185</u>	<u>51,169</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(100,124)	(66,227)
Proceeds from sales of investments	9,896	49,384
Purchases of property and equipment	-	(7,029)
	<u>(90,228)</u>	<u>(23,872)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
None	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	19,957	27,297
Cash and cash equivalents - beginning of year	<u>252,859</u>	<u>225,562</u>
Cash and cash equivalents - end of year	<u>\$ 272,816</u>	<u>\$ 252,859</u>

See accompanying notes and independent auditors' report



PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**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, 2022, from which the summarized information was derived.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**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, 2023, and 2022 was \$3,873 and \$2,051, 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, 2023, and 2022 was \$2,113 and \$2,113, 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, 2023, no amounts have been recognized for uncertain tax positions. Tax returns prepared for years 2019 and prior are now closed.

Receivables

The Organization utilizes the allowance method for uncollectible member fees and other receivables. As of June 30, 2023, and 2022, the Organization had an allowance for doubtful accounts balance of \$1,750 and \$2,200, respectively.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**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.

Operating Leases

During 2023, the Organization adopted ASU 2016-02 *Leases (Topic 842)*. The adoption of the guidance requires the recognition of the remaining value of operating leases as assets and liabilities on the statement of financial position as right of use assets and future minimum lease obligations, respectively.

Revenue from Contracts with Customers

The Organization recognizes revenue 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.

**NOTE 2 - 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 \$7,994 and \$9,222 for the fiscal years ended June 30, 2023 and 2022, respectively.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**NOTE 3 - 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 4 - LEASE OBLIGATIONS**

On April 17, 2020, the Organization entered into a operating 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 \$35,420 and \$34,545 during fiscal years 2023 and 2022, respectively.

As of June 30, 2023, the right-of-use (ROU) asset had a balance of \$248,183, as shown in noncurrent assets on the statement of financial position; the lease liability is included in current liabilities for \$27,026 and \$221,157 for noncurrent liabilities respectively. The lease asset and liability were calculated utilizing the risk-free discount rate (3.8%) according to the organizations selected policy.

Future minimum lease payments are as follows:

Fiscal year ending June 30,	Operating leases	Total lease obligation
2024	\$ 35,238	\$ 100,680
2025	36,272	103,634
2026	37,308	106,594
2027	38,346	109,560
2028	39,383	112,523
2029 and thereafter	99,144	283,269
Total	285,691	816,260
Less: Amount of lease payments representing interest	37,508	107,166
Present value of future minimum lease payments	248,183	709,094
Less: Current portion	27,026	77,217
Long-term lease liabilities	<u>\$ 221,157</u>	<u>\$ 631,877</u>

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**NOTE 5 - 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, 2023, and June 30, 2022 were \$11,733 and \$16,535, respectively.

**NOTE 6 - 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 2023 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, 2023 AND 2022

**NOTE 6 - 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, 2023 and 2022:

	Level 1	Level 2	Level 3	2023
Mutual funds	\$ 492,555	\$ -	\$ -	\$ 492,555
Exchange-traded funds	606,102	-	-	606,102
Total	<u>\$ 1,098,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,098,657</u>

	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>

**NOTE 7 - 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 \$35,260 and \$38,336 to IDD Collaborative LLC during fiscal years 2023 and 2022, respectively.

**NOTE 8 - AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets at June 30, 2023 and 2022:

Financial assets at fiscal year-end	2023	2022
Cash and cash equivalents	\$ 272,816	\$ 252,859
Investments	1,098,657	935,475
Accounts receivable, net of allowance	26,899	37,885
Total financial assets at fiscal year-end	<u>1,398,372</u>	<u>1,226,219</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>\$ 1,398,372</u>	<u>\$ 1,226,219</u>

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**NOTE 9 - PROPERTY AND EQUIPMENT**

The following components comprise property and equipment as of June 30, 2023 and 2022:

	2023	2022
Leaseholds	\$ 3,482	\$ 3,482
Furniture	8,631	8,631
Total depreciable assets	12,113	12,113
Accumulated depreciation	(4,467)	(2,353)
Property and equipment, net	\$ 7,646	\$ 9,760

**NOTE 10 - REVENUE RECOGNITION**

Contracts with Customers

The Organization recognized \$98,837, net of \$12,636 credit scholarship, and \$91,272 of revenue from dues received from participants during fiscal years ended June 30, 2023, and 2022, respectively. Impairment losses of \$1,000 and \$300 for bad debt were recognized during fiscal years ended June 30, 2023, and 2022 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,		
	2023	2022	2021
Accounts receivable, net of allowance	\$ 8,865	\$ 2,625	\$ 4,683
Deferred revenue	38,828	35,260	27,632

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.

PATHWAYS TO INDEPENDENCE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

**NOTE 10 - 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 2023 there were no changes in recognition methodology. Also, during fiscal 2023 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 11 – 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, 2023 and 2022, the carrying amounts of deposits and bank balances did not exceed the federally insured limit.

**NOTE 12 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 25, 2023, the date the financial statements were available to be issued, and noted no reportable events.



## **SUPPLEMENTAL INFORMATION**

PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**Developmental Disabilities Resource Board Skills Development**

**Project Expenses**

**Direct Expenses:**

	<b>2023</b>
1. Personnel Costs - Wages	\$ 78,646
2. Personnel Costs - Benefits	14,777
3. Facility Costs	9,077
4. Consumable Project Equipment and Supplies	6,601
5. Office Equipment and Supplies	1,250
6. Communication	3,505
7. Staff Training	210
8. Staff Travel	1,149
9. Vehicle Operating Costs	1,149
10. Professional Services / Fees	196
11. Client Assistance	3,042
12. Food Costs	1,892
<b>Total Project Direct Expenses</b>	<b>121,494</b>

**Indirect Expenses:**

13 Administrative Allocation	18,224
<b>Total Project Expenses</b>	<b>\$ 139,718</b>
14 Total Units Provided	1,042
<b>Cost Per Unit:</b>	<b>\$ 134</b>

PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**Productive Living Board - Skills Development**

**Project Expenses**

**Direct Expenses:**

	<u>2023</u>
1. Personnel Costs - Wages	\$ 178,434
2. Personnel Costs - Benefits	33,441
3. Facility Costs	19,825
4. Consumable Project Equipment and Supplies	14,844
5. Office Equipment and Supplies	2,731
6. Communication	7,654
7. Staff Training	477
8. Staff Travel	2,510
9. Vehicle Operating Costs	2,582
10. Professional Services / Fees	445
11. Client Assistance	6,643
12. Food Costs	<u>3,951</u>
<b>Total Project Direct Expenses</b>	<u>273,537</u>

**Indirect Expenses:**

13 Administrative Allocation	<u>41,030</u>
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<b>Total Project Expenses</b>	<u><u>\$ 314,567</u></u>
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14 Total Units Provided	7,032
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<b>Cost Per Unit:</b>	<u><u>\$ 45</u></u>
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PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**St. Louis Developmental Disabilities Resources - Skills Development**

**Project Expenses**

**Direct Expenses:**

	<b>2023</b>
1. Personnel Costs - Wages	\$ 33,008
2. Personnel Costs - Benefits	6,162
3. Facility Costs	3,451
4. Consumable Project Equipment and Supplies	2,709
5. Office Equipment and Supplies	475
6. Communication	1,332
7. Staff Training	88
8. Staff Travel	437
9. Vehicle Operating Costs	470
10. Professional Services / Fees	82
11. Client Assistance	1,156
12. Food Costs	634
<b>Total Project Direct Expenses</b>	<b>50,004</b>

**Indirect Expenses:**

13 Administrative Allocation	7,501
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<b>Total Project Expenses</b>	<b>\$ 57,505</b>
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14 Total Units Provided	697
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<b>Cost Per Unit:</b>	<b>\$ 83</b>
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PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**Developmental Disabilities Advocates - Skills Development**

**Project Expenses**

**Direct Expenses:**

	<b>2023</b>
1. Personnel Costs - Wages	\$ 9,364
2. Personnel Costs - Benefits	1,754
3. Facility Costs	1,030
4. Consumable Project Equipment and Supplies	777
5. Office Equipment and Supplies	142
6. Communication	397
7. Staff Training	25
8. Staff Travel	130
9. Vehicle Operating Costs	135
10. Professional Services / Fees	23
11. Client Assistance	345
12. Food Costs	202
<b>Total Project Direct Expenses</b>	<b>14,324</b>

**Indirect Expenses:**

13 Administrative Allocation	2,149
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<b>Total Project Expenses</b>	<b>\$ 16,473</b>
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14 Total Units Provided	185
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<b>Cost Per Unit:</b>	<b>\$ 89</b>
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PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**Productive Living Board - GAP**

**Project Expenses**

**Direct Expenses:**

	<b><u>2023</u></b>
1. Personnel Costs - Wages	\$ 26,713
2. Personnel Costs - Benefits	4,587
3. Facility Costs	1,640
4. Consumable Project Equipment and Supplies	607
5. Office Equipment and Supplies	226
6. Communication	633
7. Staff Training	67
8. Staff Travel	208
9. Vehicle Operating Costs	-
10. Professional Services / Fees	63
11. Client Assistance	550
12. Food Costs	147
<b>Total Project Direct Expenses</b>	<b><u>35,441</u></b>

**Indirect Expenses:**

13 Administrative Allocation	<u>5,316</u>
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<b>Total Project Expenses</b>	<b><u><u>\$ 40,757</u></u></b>
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14 Total Units Provided	185
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<b>Cost Per Unit:</b>	<b><u><u>\$ 220</u></u></b>
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PATHWAYS TO INDEPENDENCE  
UNIT COST REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

**Developmental Disabilities Resource Board - Young Adult**  
**Social Skills**

**Project Expenses**

**Direct Expenses:**

	<b><u>2023</u></b>
1. Personnel Costs - Wages	\$ 33,175
2. Personnel Costs - Benefits	6,081
3. Facility Costs	2,444
4. Consumable Project Equipment and Supplies	2,547
5. Office Equipment and Supplies	337
6. Communication	943
7. Staff Training	89
8. Staff Travel	309
9. Vehicle Operating Costs	438
10. Professional Services / Fees	83
11. Client Assistance	819
12. Food Costs	<u>182</u>
<b>Total Project Direct Expenses</b>	<b><u>47,447</u></b>

**Indirect Expenses:**

13 Administrative Allocation	<u>7,117</u>
<b>Total Project Expenses</b>	<b><u><u>\$ 54,564</u></u></b>

14 Total Units Provided 391

**Cost Per Unit:** \$ 140