

PATHWAYS TO HOUSING PA, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**



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**PATHWAYS TO HOUSING PA, INC.
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YEAR ENDED JUNE 30, 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pathways to Housing PA, Inc.
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Pathways to Housing PA, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Housing PA, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the organization adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Report on Summarized Comparative Information

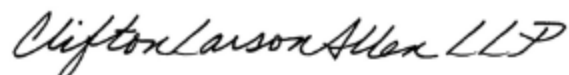
We have previously audited Pathways to Housing PA, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal, state and city awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the City of Philadelphia Subrecipient Audit Guide is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The program activity invoice summary and schedule of adjustments to the program activity invoice summary are presented for purposes of additional analysis as required by the City of Philadelphia Office of Mental Health - Department of Behavioral Health and Intellectual disAbility Services and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of Pathways to Housing PA, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Pathways to Housing PA, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pathways to Housing PA, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP
Plymouth Meeting, Pennsylvania
November 22, 2019

PATHWAYS TO HOUSING PA, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

ASSETS	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,621,619	\$ 1,518,700
Accounts Receivable:		
Government, Net	1,834,598	1,242,267
Other, Net	347,138	166,078
Inventory	176,245	172,820
Client Cash - Restricted	203,757	232,506
Prepaid Expenses	526,022	367,019
Total Current Assets	4,709,379	3,699,390
PROPERTY AND EQUIPMENT		
Furniture, Fixtures, and Equipment	309,154	271,190
Leasehold Improvements	292,780	29,044
Total	601,934	300,234
Less: Accumulated Depreciation	238,198	182,216
Total Property and Equipment	363,736	118,018
 Total Assets	 \$ 5,073,115	 \$ 3,817,408
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 148,759	\$ 131,617
Accrued Expenses	173,202	194,731
Accrued Payroll and Payroll Taxes	420,211	320,491
Deferred Revenue	41,128	495,933
Due to Clients	203,757	232,506
Total Liabilities	987,057	1,375,278
NET ASSETS		
Without Donor Restrictions	3,689,663	2,271,953
With Donor Restrictions	396,395	170,177
Total Net Assets	4,086,058	2,442,130
 Total Liabilities and Net Assets	 \$ 5,073,115	 \$ 3,817,408

See accompanying Notes to Financial Statements.

PATHWAYS TO HOUSING PA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Community Behavioral Health	\$ 6,478,726	\$ -	\$ 6,478,726	\$ 5,240,621
U.S. Department of Housing and Urban Development	3,677,434	-	3,677,434	2,986,355
City of Philadelphia Department of Behavioral Health	2,443,732	-	2,443,732	1,828,858
Other Contracts	1,253,122	-	1,253,122	1,053,231
Client Income	607,810	-	607,810	512,790
Foundation Grants	12,619	440,000	452,619	254,240
Contributions	703,214	-	703,214	414,161
Other Income	315,977	-	315,977	152,692
Net Assets Released from Restrictions	213,782	(213,782)	-	-
Total Support and Revenue	<u>15,706,416</u>	<u>226,218</u>	<u>15,932,634</u>	<u>12,442,948</u>
EXPENSES				
Program	12,282,280	-	12,282,280	10,322,483
Management and General	1,727,337	-	1,727,337	1,554,134
Fundraising	279,089	-	279,089	141,641
Total Expenses	<u>14,288,706</u>	<u>-</u>	<u>14,288,706</u>	<u>12,018,258</u>
CHANGE IN NET ASSETS				
Net Assets - Beginning of Year	1,417,710	226,218	1,643,928	424,690
	<u>2,271,953</u>	<u>170,177</u>	<u>2,442,130</u>	<u>2,017,440</u>
NET ASSETS - END OF YEAR	<u>\$ 3,689,663</u>	<u>\$ 396,395</u>	<u>\$ 4,086,058</u>	<u>\$ 2,442,130</u>

See accompanying Notes to Financial Statements.

PATHWAYS TO HOUSING PA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019				2018	
	Housing First	Furniture Bank	Total Program	Management and General	Fundraising	Total
Payroll and Payroll Related Expenses	\$ 4,689,075	\$ 255,019	\$ 4,944,094	\$ 1,412,427	\$ 133,988	\$ 6,490,509
Bad Debt Expense	-	-	-	-	-	-
Client Gross Rent Expense	3,612,519	-	3,612,519	-	-	3,612,519
Client Housing Expenses	934,344	-	934,344	-	-	934,344
Clinical Expenses	37,342	-	37,342	-	-	37,342
Conferences and Meetings	41,700	1,045	42,745	36,873	622	80,240
Contract Service Payments and Professional Fees	691,295	36,399	727,694	99,075	106,575	933,344
Depreciation	46,466	-	46,466	7,837	1,679	55,982
Program Expenses - FB (Includes Delivery Exp)	-	787,557	787,557	-	-	787,557
Insurance	120,832	5,000	125,832	17,780	3,810	147,422
Miscellaneous	-	-	-	12,994	-	12,994
Occupancy Costs	265,612	73,580	339,192	57,213	12,260	408,665
Office Expenses	298,759	18,481	317,240	83,138	20,155	420,533
Other Client Expenses	346,115	-	346,115	-	-	346,115
Vehicle Costs	13,229	7,911	21,140	-	-	21,140
Total Expenses	\$ 11,097,288	\$ 1,184,992	\$ 12,282,280	\$ 1,727,337	\$ 279,089	\$ 14,288,706
						\$ 5,599,945
						58,049
						3,118,170
						769,151
						12,459
						71,397
						794,238
						46,952
						386,651
						122,319
						17,425
						384,424
						327,921
						297,147
						12,010

See accompanying Notes to Financial Statements.

PATHWAYS TO HOUSING PA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,643,928	\$ 424,690
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	55,982	46,952
Bad Debt	-	58,049
(Increase) Decrease in:		
Prepaid Expenses	(159,003)	2,993
Accounts Receivable	(773,391)	(101,703)
Inventory	(3,425)	(18,314)
Client Cash - Restricted	28,749	(56,821)
Increase (Decrease) in:		
Accounts Payable	17,142	43,324
Accrued Expenses	(21,529)	(41,340)
Accrued Payroll and Payroll Taxes	99,720	45,651
Due to Clients	(28,749)	56,821
Deferred Revenue	(454,805)	32,469
Net Cash Provided by Operating Activities	404,619	492,771
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of Property and Equipment	(301,700)	(38,609)
NET INCREASE IN CASH AND CASH EQUIVALENTS	102,919	454,162
Cash and Cash Equivalents - Beginning of Year	1,518,700	1,064,538
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,621,619	\$ 1,518,700

See accompanying Notes to Financial Statements.

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Pathways to Housing PA, Inc. (Pathways) is a nonprofit corporation formed under the laws of the Commonwealth of Pennsylvania. Pathways operates with the belief that housing is a basic human right for all people. Pathways provides housing and nonfidelity Assertive Community Treatment Services to people who have experienced chronic homelessness and have behavioral health and multiple other disabilities. Pathways' prioritized highly vulnerable clients are referred by the City of Philadelphia; therefore, the organization operates under the Medical Assistance guidelines for admission criteria. The Housing First Model has proved to be successful in housing people that have not been able to maintain housing with other agencies. In addition to housing placement, Pathways' clients are provided with support services such as case management, mental health counseling, addiction treatment services, medical services, vocational training, household and money management assistance, life skills training, and advocacy services. In December 2014, Pathways opened the Philadelphia Furniture Bank providing furnishings to those in need, primarily individuals and families moving out of homelessness, who are referred to Pathways by member agencies.

Pathways is primarily funded through contracts with governmental agencies such as the United States Department of Housing and Urban Development, City of Philadelphia Department of Behavioral Health and Intellectual Disability Services, City of Philadelphia Office of Homeless Services, and Community Behavioral Health (the City's medical assistance payor for behavioral health services).

Basis of Presentation

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

Prior Year Summarized Information

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 in the United States of America. Accordingly, such information should be read in conjunction with Pathways' financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Cash and cash equivalents include demand deposit accounts.

Client Cash-Restricted/Due to Clients

Pathways, as part of Social Security's Representative Payment Program, provides financial management for the Social Security payments made to beneficiaries who are incapable of managing their payments. Restricted cash represents these funds that are held on behalf of Pathways clients. Pathways manages these resources to help create a stable living environment and ensure that the basic needs of food, shelter, clothing, and medical care are met.

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained to recognize potential losses in Pathways accounts receivable. Management continually monitors accounts receivables for collectability. An allowance for doubtful accounts is based upon management's judgment and is established based on review of the types of individual accounts, collection history, and other pertinent factors. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2019, the amount of the overall allowance for accounts receivable was \$33,602.

Inventory

The Inventory for the Philadelphia Furniture Bank consists of slightly used furniture received from for-profit entities, nonprofit organizations, and individuals. The inventory value is based on estimates from various donation value guides. This furniture is provided to those in need, primarily individuals and families moving out of homelessness, who are referred to Pathways by member agencies. Ending inventory as of June 30, 2019 amounted to \$176,245.

In-kind contributions of furniture amounted to \$629,604 for the year ended June 30, 2019, which is included as part of contributions on the statement of activities.

Property and Equipment

Property and equipment are purchased and stated at cost. Donated property is recorded at fair value. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets as follows:

Furniture, Fixtures, and Equipment	3 to 8 Years
Leasehold Improvements	Term of Lease

Pathways capitalizes property and equipment acquisitions with a cost exceeding \$2,500. The cost of maintenance and repairs is charged to expense as incurred whereas significant renewals and betterments are capitalized.

Net Assets

Pathways classifies resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories. A description of the asset categories is as follows:

Without Donor Restrictions – Net assets not subject to donor-imposed restrictions or stipulations as to purpose or use. Net assets without donor restrictions include operating funds. The board of directors has the ability to designate net assets without donor restrictions for specified purposes.

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

With Donor Restrictions – Net assets that are subject to donor-imposed restrictions or stipulations that require the principal to be invested in perpetuity and the income to be used to support Pathways objectives in accordance with the wishes of the donor.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

Contract Revenue – Contract revenue from governmental agencies is recognized at the time the service is rendered and is based upon allowable costs. Pathways considers all government awards to be exchange transactions in which each party receives and sacrifices commensurate value. Accordingly, government awards do not affect net assets with donor restrictions, and funds received in advance are deferred revenue, and funds disbursed and not reimbursed represent receivables.

Fee for Service – Fee for service revenue is recognized at the time the service is rendered and is based upon the billing rate and the allowable number of service units provided to the clients. Rates are established by the governmental agency and are subject to change. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered.

Client Income – Client Income represents each client's contribution to their housing rental expenses and represents 30% of their annual income net of allowable adjustments. Client income is recorded when earned to the extent that the related expenses have been incurred.

Contributions and Foundation Grants – Pathways records as revenue, unconditional promises to give, in the period the promise to give is received. All contributions are considered available for unrestricted use unless specifically restricted by the donors' request or restricted by time.

Functional Allocation of Expenses

The costs of supporting the program and other activities have been summarized on a functional basis in the statement of functional expenses. Specifically identifiable costs are assigned directly to the respective program and/ or supporting function.

The financial statements report certain costs that are attributable to one or more programs or supporting functions. These costs have been allocated by management based on reasonable allocation methods. Payroll and the associated payroll related costs are allocated based on time spent. Conference and meetings, Contract Service Payments and Professional Fees, Insurance and Office Expense are allocated based on specifically identifiable costs and head count between program, management and general and

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

fundraising. Occupancy and depreciation costs are allocated based on head count between program, management and general and fundraising.

Income Tax Status

Pathways is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Pathways informational tax returns are subject to review and examination by federal, state, or local authorities. Pathways is not aware of any activities that would jeopardize its tax-exempt status.

Pathways follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on Pathways to Housing PA, Inc.'s consolidated financial statements.

Management's Judgments and Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The most significant management estimates and assumptions relate to determination of the allowance for doubtful accounts, the functional expense allocation, and the useful lives of fixed assets. Actual results could differ from those estimates.

Change in Accounting Principle

In the fiscal year ended June 30, 2019, Pathways adopted Financial Accounting Standards Board (FASB) ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The standard requires Pathways to reclassify its net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories, net assets without donor restrictions and net assets with donor restrictions, among other requirements. With the exception of the disclosure on liquidity, these changes were applied retrospectively to ensure comparability with the prior year presented.

Subsequent Events

In preparing these financial statements, the Pathways has evaluated events and transactions for potential recognition or disclosures through November 22, 2019, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents potentially subject Pathways to a concentration credit risk. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank deposit accounts may exceed FDIC insurable limits.

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 ACCOUNTS RECEIVABLE – GOVERNMENT

As of June 30, 2019, accounts receivable – government are comprised of the following:

	<u>Amount</u>
City of Philadelphia Department of Behavioral Health	\$ 329,358
City of Philadelphia Office of Homeless Services	667,481
City of Philadelphia Department of Behavioral Health Office of Addiction Services	167,100
ActionWellness	53,553
Substance Abuse and Mental Health Services Administration	131,790
City of Philadelphia Department of Behavioral Health Community Behavioral Health	<u>485,316</u>
Total Accounts Receivable - Government, Net	<u><u>\$ 1,834,598</u></u>

NOTE 4 LINE OF CREDIT

Pathways has a revolving line of credit of \$1,000,000 with a commercial bank. The line is collateralized by the business assets of Pathways and bears interest at the bank's prime rate (5.5% as of June 30, 2019), and is collateralized by the business assets of Pathways. There were no borrowings on this line of credit during the year ended June 30, 2019. The line expires August 9, 2019 and can be renewed on an annual basis. As of June 30, 2019, there was no outstanding balance on this line.

In October 2018, Pathways entered into an additional line of credit agreement with a commercial bank with an available line of \$162,000. The line bears interest at the bank's prime rate less 0.40% (5.1% as of June 30, 2019), and is collateralized by the business assets of Pathways. As of June 30, 2019, there was no outstanding balance on this line. This additional line of credit is due to expire on April 22, 2020, and will not be renewed.

NOTE 5 NET ASSETS

As of June 30, 2019, net assets with donor restrictions are restricted as to purpose and available for the following:

	<u>Amount</u>
Furniture Bank Supported Employment and Operations	\$ 156,827
Medical Clinic	78,206
Strategic Plan	2,075
Time - General Support	77,751
Veterans	<u>81,536</u>
Total	<u><u>\$ 396,395</u></u>

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 EMPLOYEE BENEFIT PLAN

Pathways maintains a 401k Plan covering all eligible employees who have completed three months of service. Employees may contribute a percentage of their gross wages to the plan. Pathways makes a “nonelective” contribution of 3% of gross salary for all eligible employees regardless if they contribute or not. Total contributions for the year ended June 30, 2019 were \$132,019.

NOTE 7 OPERATING LEASE COMMITMENTS

Residential Apartments

Pathways leases approximately 403 residential apartments throughout the City of Philadelphia that serve as the housing units for the clients of the program. The various one-year leases have expiration dates throughout fiscal year 2020. Residential rental expense for the year ended June 30, 2019 totaled \$3,612,519.

Office Facilities

Pathways conducts its operations from facilities that are leased under a ten-year operating lease with an expiration date in 2022. There are two five-year renewal options under the contract that allow the Organization to lease the facility until 2032. Rental and occupancy expense for the year ended June 30, 2019 totaled \$335,086.

Furniture Bank Program

In October 2014, Pathways opened the Philadelphia Furniture Bank Program. The Philadelphia Furniture Bank program facilitates the collection and distribution of gently used donated furniture to individuals and families moving out of homelessness.

In June 2019, the Philadelphia Furniture Bank Program relocated and entered into a four-year operating lease with an expiration date in 2023. There is one three-year renewal option on the contract that allows the Organization to lease the facility until 2026. Rental and occupancy expense for the year ended June 30, 2019 totaled \$73,579.

Aggregate minimum annual rental payments under residential apartments, office facilities, and furniture bank leases at June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 2,582,030
2021	361,401
2022	290,117
2023	68,748
Total	<u>\$ 3,302,296</u>

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 CONCENTRATION OF REVENUES

Pathways operating revenue is primarily generated through contracts with federal, state and city governmental agencies. For the year ended June 30, 2019, this amount represented approximately 85% of total revenues. The total receivable from contracts with federal, state and city governmental agencies as of June 30, 2019 was approximately 85% of total accounts receivable.

NOTE 9 CONTRACTUAL ADJUSTMENTS

The contracts under which Pathways conducts its programs contain provisions defining costs, which are allowable and reimbursable within the program. Program billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined to date.

NOTE 10 LIQUIDITY

The below table reflects Pathways financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year as of June 30, 2019.

Cash and Cash Equivalents	\$ 1,621,619
Accounts Receivable - Government	1,834,598
Accounts Receivable - Other	<u>347,138</u>
Total financial assets at year-end	3,803,355
Less: Amounts Not Available to be Used Within One Year	
Accounts Receivable - Other (with Time Restrictions)	<u>(100,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,703,355</u>

As part of Pathways to Housing PA, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition to financial assets available to meet general expenditures over the next 12 months, Pathways operates with a Board approved budget. In the event of an unanticipated liquidity need, Pathways could draw upon its line of credit.

PATHWAYS TO HOUSING PA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 SUBSEQUENT EVENTS

The \$1,000,000 revolving line of credit was renewed on August 6, 2019.

On August 12, 2019, Pathways amended their lease to include an additional space adjacent to their current offices. Pathways occupied the expanded space effective September 1, 2019. The renewal options remain the same as described in Note 7 – Office Facilities.

On October 1, 2019, Pathways entered into a \$50,000 loan agreement. The funds were disbursed to Pathways in October 2019. The loan is for predevelopment construction costs including architectural and consulting fees. The loan carries a 0% interest rate for 24 months from the date of the promissory note and 6% thereafter until maturity date. The loan matures the earlier of 36 months from closing or the closing of predevelopment or construction financing.

PATHWAYS TO HOUSING PA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND CITY AWARDS
YEAR ENDED JUNE 30, 2019

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Award Period	Expenditures
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Continuum of Care	14.267	PA0433L3T001706	2/1/18 - 1/31/19	\$ 397,419
Continuum of Care	14.267	PA0433L3T001807	2/1/19 - 1/31/20	288,713
Continuum of Care	14.267	PA0504L3T001605	11/1/17 - 10/31/18	159,766
Continuum of Care	14.267	PA0504L3T001706	11/1/18 - 10/31/19	336,573
Continuum of Care	14.267	PA0431L3T001706	7/1/18 - 6/30/19	103,968
Continuum of Care	14.267	PA0010L3T001710	7/1/18 - 6/30/19	239,167
Total				<u>1,525,606</u>
Pass-Through City of Philadelphia Office of Homeless Services				
Continuum of Care	14.267	18-20597	2/1/18 - 1/31/19	281,949
Continuum of Care	14.267	19-20636	2/1/19 - 1/31/20	201,523
Continuum of Care	14.267	18-20482	11/1/17 - 10/31/18	88,055
Continuum of Care	14.267	19-20346	11/1/18 - 10/31/19	178,776
Continuum of Care	14.267	18-20483	9/1/17 - 8/31/18	117,662
Continuum of Care	14.267	17-20525-01	9/1/16 - 8/31/17	679,165
Total				<u>1,547,130</u>
Total CFDA 14.267				<u>3,072,736</u>
Pass-Through City of Philadelphia Department of Housing and Community Development				
Pass-Through Action Wellness				
Housing Opportunities for People with AIDS	14.241	18-20010	4/1/18 - 3/31/19	158,148
Housing Opportunities for People with AIDS	14.241	19-20479	4/1/19 - 3/31/20	53,553
Total CFDA 14.241				<u>211,701</u>
Total U.S. Department of Housing and Urban Development				3,284,437
Research and Development Cluster				
National Institutes of Health				
Pass-Through Washington University in St. Louis				
Mental Health Research Grants	93.242	WU18-250	6/1/18-5/31/19	60,047
Total Research and Development Cluster				60,047
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services:				
Projects of Regional and National Significance	93.243	5H79SM062310-02	9/30/17-09/29/18	154,472
Projects of Regional and National Significance	93.243	5H79SM062310-03	9/30/18-9/29/19	355,000
Total CFDA 93.243				<u>509,472</u>
Total U.S. Department of Health and Human Services				509,472
Total Federal Awards				\$ 3,853,956

See Notes to Schedule of Expenditures of Federal, State, and City Awards.

PATHWAYS TO HOUSING PA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND CITY AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Award Period	Expenditures
STATE AWARDS				
State Financial Assistance				
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-0426	7/1/18 - 6/30/19	\$ 21,164
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-1236	7/1/18 - 6/30/19	97,920
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2083	7/1/18 - 6/30/19	175,970
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2295	7/1/18 - 6/30/19	588,443
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2326	7/1/18 - 6/30/19	468,636
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0182-9826	7/1/18 - 6/30/19	219,363
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2396	7/1/18 - 6/30/19	162,010
Total				<u>1,733,506</u>
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services - Drug and Alcohol Abuse Services	N/A	17-20072-02	7/1/18 - 6/30/19	252,000
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services - Drug and Alcohol Abuse Services	N/A	PAC 0300-7200	4/1/19 - 9/30/19	4,500
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services - Drug and Alcohol Abuse Services	N/A	PAC 0300-920E	7/1/18 - 6/30/19	150,000
Total State Awards				<u>2,140,006</u>
CITY AWARDS				
City Financial Assistance				
City of Philadelphia Office of Supportive Housing				
Continuum of Care	N/A	18-20223-01	7/1/18 - 6/30/19	244,836
Continuum of Care	N/A	19-20273	8/1/18 - 6/30/19	359,087
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-1236	7/1/18 - 6/30/19	10,880
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2083	7/1/18 - 6/30/19	19,552
Pass-Through City of Philadelphia Department of Behavioral Health and Intellectual disAbility Services	N/A	PAC 0100-2295	7/1/18 - 6/30/19	65,383
Total City Awards				<u>699,738</u>
Total Federal, State, and City Awards				<u>\$ 6,693,700</u>

See Notes to Schedule of Expenditures of Federal, State, and City Awards.

PATHWAYS TO HOUSING PA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND CITY AWARDS
JUNE 30, 2019

NOTE 1 GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state, and city awards (the Schedule) presents the activities in all federal, state, and city awards of Pathways to Housing PA, Inc. for the year ended June 30, 2019. All financial assistance received directly from federal agencies as well as financial assistance passed through other governmental agencies or nonprofit organizations are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). During the year ended June 30, 2019, Pathways to Housing PA, Inc. did not pass-through federal funding to subrecipients.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to funding agencies because those reports may be submitted on either a cash or modified accrual basis of accounting.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal, state, and city award expenditures are reported on the statement of functional expenditures as program costs. However, expenditures in the schedule of expenditures of federal, state, and city awards for certain programs which have incurred deficits have been limited to the related contracted amount. In addition, for certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported on the schedule of expenditures of federal, state, and city awards due to program expenditures exceeding grant or contract budget limitations, which are not included as federal, state, and city financial assistance.

NOTE 4 INDIRECT COST RATE

Pathways to Housing PA, Inc. has elected to use the 10% de minimis indirect cost rate for federal contracts allowed under the Uniform Guidance.

NOTE 5 CAPITAL IMPROVEMENTS

Pathways to Housing PA, Inc. expended \$262,512 for capital improvements. These amounts are reflected within the accompanying schedule of expenditures of federal, state, and city awards as expenditures for both the City of Philadelphia Office of Addiction Services and the Department of Behavioral Health and Intellectual disAbility services' contracts. However, in accordance with auditing standards generally accepted in the United States of America, the amount of \$262,512 is capitalized as capital improvements within Pathways to Housing PA, Inc.'s basic financial statements.

PATHWAYS TO HOUSING PA, INC.
SCHEDULE OF ADJUSTMENT TO PROGRAM ACTIVITY INVOICE SUMMARY
JUNE 30, 2019

Program Activity Code	HS-Program Enhancement 0100-2295	Res-Other-Homeless CBH Adm 0182-9826	ACT/CTT Homeless 0100-2326	TCM-Homeless 0100-0426	AM-CMH Specialized Services 0100-2083	CE-Supportive Employment 0100-1236	START-UP ACT/CTT 0100-2396
PROGRAM ACTIVITY SUMMARY AS							
ORIGINALLY SUBMITTED							
Personnel	\$ 1,935,039	\$ 649,219	\$ -	\$ -	\$ -	\$ 100,483	\$ -
Operating	1,764,392	591,966	3,580,687	255,974	1,168,287	-	140,650
Administrative	591,909	198,590	-	-	-	16,077	22,504
Retained Revenue	-	-	-	-	-	-	-
Total Expenditures	<u>4,291,340</u>	<u>1,439,775</u>	<u>3,580,687</u>	<u>255,974</u>	<u>1,168,287</u>	<u>116,560</u>	<u>163,154</u>
Revenue	<u>3,637,514</u>	<u>1,220,412</u>	<u>3,112,051</u>	<u>234,810</u>	<u>972,765</u>	<u>7,760</u>	<u>1,144</u>
NET TO BE FUNDED	<u>\$ 653,826</u>	<u>\$ 219,363</u>	<u>\$ 468,636</u>	<u>\$ 21,164</u>	<u>\$ 195,522</u>	<u>\$ 108,800</u>	<u>\$ 162,010</u>
ADJUSTMENTS							
Operating	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	-
NET TO BE FUNDED	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
AUDITED PROGRAM ACTIVITY INVOICE SUMMARY							
Personnel	\$ 1,935,039	\$ 649,219	\$ -	\$ -	\$ -	\$ 100,483	\$ -
Operating	1,764,392	591,966	3,580,687	255,974	1,168,287	-	140,650
Administrative	591,909	198,590	-	-	-	16,077	22,504
Retained Revenue	-	-	-	-	-	-	-
Total Expenditures	<u>4,291,340</u>	<u>1,439,775</u>	<u>3,580,687</u>	<u>255,974</u>	<u>1,168,287</u>	<u>116,560</u>	<u>163,154</u>
Revenue	<u>3,637,514</u>	<u>1,220,412</u>	<u>3,112,051</u>	<u>234,810</u>	<u>972,765</u>	<u>7,760</u>	<u>1,144</u>
NET TO BE FUNDED	<u>\$ 653,826</u>	<u>\$ 219,363</u>	<u>\$ 468,636</u>	<u>\$ 21,164</u>	<u>\$ 195,522</u>	<u>\$ 108,800</u>	<u>\$ 162,010</u>



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SPECIFIED INDIRECT COST ALLOCATION REQUIREMENTS**

Board of Directors
Pathways to Housing PA, Inc.
Philadelphia, Pennsylvania

We have examined Pathways to Housing PA, Inc.'s compliance with allocating indirect costs reflected in the City of Philadelphia Office of Mental Health - Department of Behavioral Health and Intellectual disAbility Services program activity summary as required by the Commonwealth of Pennsylvania, Department of Human Services, Section 4300.94 of the Title 4300 Regulations for the year ended June 30, 2019. Management of Pathways to Housing PA, Inc. is responsible for Pathways to Housing PA, Inc.'s compliance with the specified requirements. Our responsibility is to express an opinion on Pathways to Housing PA, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Pathways to Housing PA, Inc. complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Pathways to Housing PA, Inc. complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Pathways to Housing PA, Inc.'s compliance with specified requirements.

In our opinion, Pathways to Housing PA, Inc. complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

This report is intended solely for the information and use of the board of directors, management, and the City of Philadelphia Office of Mental Health - Department of Behavioral Health and Intellectual disAbility Services, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 22, 2019



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pathways to Housing PA, Inc.
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pathways to Housing PA, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pathways to Housing PA, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pathways to Housing PA, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Pathways to Housing PA, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pathways to Housing PA, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 22, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Pathways to Housing PA, Inc.
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Pathways to Housing PA, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pathways to Housing PA, Inc.'s major federal programs for the year ended June 30, 2019. Pathways to Housing PA, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Pathways to Housing PA, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the City of Philadelphia Subrecipient Audit Guide. Those standards and the Uniform Guidance and the City of Philadelphia Subrecipient Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pathways to Housing PA, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pathways to Housing PA, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Pathways to Housing PA, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Pathways to Housing PA, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pathways to Housing PA, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pathways to Housing PA, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 22, 2019

**PATHWAYS TO HOUSING PA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.515(d)(2) of the Uniform Guidance? _____ yes X no

Identification of Major Federal Programs

CFDA Number

14.267

Name of Federal Program or Cluster

Continuum of Care

Dollar threshold used to distinguish between

Type A or Type B programs was:

\$ 750,000/ \$187,500

Auditee qualified as low-risk auditee?

 X yes _____ no

PATHWAYS TO HOUSING PA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR section 200.515(d)(2) of the Uniform Guidance.

Section IV – Prior Audit Findings

There were no findings in the prior year that were required to be reported.

