

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](https://www.CLAconnect.com)

GREENPATH, INC. AND ITS SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
STATEMENT OF FINANCIAL POSITION – CONSOLIDATING SCHEDULE	23
STATEMENT OF ACTIVITIES – CONSOLIDATING SCHEDULE	24
STATEMENT OF CASH FLOWS – CONSOLIDATING SCHEDULE	25
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 <i>GOVERNMENT AUDITING STANDARDS</i>	26
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	28
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	31
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	34
SUMMARY OF PRIOR YEAR AUDIT FINDINGS	36



INDEPENDENT AUDITORS' REPORT

Board of Directors
GreenPath, Inc. and its Subsidiaries
Farmington Hills, Michigan

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GreenPath, Inc. and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GreenPath, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GreenPath, Inc. and to meet our other 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 the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GreenPath, Inc.'s ability to continue as a going concern for one year after the date the consolidated 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 consolidated 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 GreenPath, Inc.'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 GreenPath, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

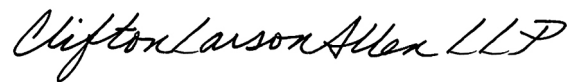
Supplementary Information

Our audit was conducted for the purpose of forming opinion on the consolidating financial statements as a whole. The consolidating schedules and the accompanying schedule of expenditures of federal 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* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors
GreenPath, Inc. and its Subsidiaries

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2022, on our consideration of GreenPath, Inc.' 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 GreenPath, 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 GreenPath, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Toledo, Ohio
May 12, 2022

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS
DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS		
Cash	\$ 5,869,967	\$ 3,570,122
Investments	27,887,166	26,474,252
Accounts Receivable, Less Allowance for Uncollectible Amounts of \$90,588 in 2021 and \$96,492 in 2020	5,085,584	5,022,599
Prepaid Expenses and Other Current Assets	1,404,388	1,246,381
Total Current Assets	40,247,105	36,313,354
OTHER ASSETS		
Intangible Assets	37,165	337,188
MATL Grant Restricted Funds	1,828,072	1,341,506
Client Funds Held in Trust	9,263,580	9,178,947
Pooled Trust	2,839,739	3,284,732
Total Other Assets	13,968,556	14,142,373
PROPERTY AND EQUIPMENT , Net of Accumulated Depreciation	28,648,180	29,018,169
Total Assets	\$ 82,863,841	\$ 79,473,896
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 708,314	\$ 683,420
Accrued Payroll and Paid Time Off	2,983,746	2,344,556
Accrued Expenses and Other Liabilities	134,490	280,727
Deferred Income	1,814,733	859,776
Current Portion of Notes Payable	902,884	981,534
Current Portion of Capital Lease Obligation	320,593	383,025
CARES Act Paycheck Protection Program Loan Payable	-	6,100,400
Total Current Liabilities	6,864,760	11,633,438
NONCURRENT LIABILITIES		
Notes Payable, at Principal, Less Unamortized Loan Origination Cost	8,160,128	9,056,899
Capital Lease Obligation	-	320,593
MATL Grant Restricted Funds	1,828,072	1,341,506
Client Funds Held in Trust	9,263,580	9,178,947
Pooled Trust	2,839,739	3,284,732
Interest Rate Swap Agreement	142,952	299,884
Total Liabilities	29,099,231	35,115,999
NET ASSETS		
Without Donor Restriction	51,196,610	42,864,784
With Donor Restrictions	2,568,000	1,493,113
Total Net Assets	53,764,610	44,357,897
Total Liabilities and Net Assets	\$ 82,863,841	\$ 79,473,896

See accompanying Notes to Consolidated Financial Statements.

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE		
Program Fees	\$ 35,017,703	\$ 39,183,104
Public Support:		
Grants - Housing	3,183,798	2,403,568
Grants - Other	7,211,188	7,702,755
CARES Act Paycheck Protection Program Gain on Extinguishment of Debt	6,100,400	-
Net Investment Income	1,410,134	2,513,904
Miscellaneous Income (Loss)	(68,828)	179,527
Net Assets Released from Restriction	<u>2,465,113</u>	<u>1,714,259</u>
Total Revenue	55,319,508	53,697,117
EXPENSES		
Program Expenses	41,034,000	42,080,629
General and Administrative	4,093,569	4,313,903
Fundraising	<u>2,017,045</u>	<u>1,650,220</u>
Total Expenses	47,144,614	48,044,752
CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT	<u>156,932</u>	<u>(242,911)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	8,331,826	5,409,454
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants - Other	3,540,000	3,207,372
Net Assets Released from Restriction	<u>(2,465,113)</u>	<u>(1,714,259)</u>
CHANGE IN NET ASSETS	9,406,713	6,902,567
Net Assets - Beginning of Year	<u>44,357,897</u>	<u>37,455,330</u>
NET ASSETS - END OF YEAR	<u>\$ 53,764,610</u>	<u>\$ 44,357,897</u>

See accompanying Notes to Consolidated Financial Statements.

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel and Related Costs	\$ 29,701,562	\$ 2,865,069	\$ 1,393,659	\$ 33,960,290
Occupancy	1,298,771	-	-	1,298,771
Operating Expenses	1,911,017	176,654	22,525	2,110,196
Marketing	870,265	4,350	448,408	1,323,023
Equipment	2,104,272	64,302	12,124	2,180,698
Dues, Insurance, Professional Fees and Other	1,277,349	876,018	105,364	2,258,731
Interest and Finance	267,543	-	-	267,543
HPF Network Pass Through Expense	118,756	-	-	118,756
Depreciation and Amortization	3,356,809	50,265	23,973	3,431,047
Travel, Employee, and Meeting Expenses	127,656	56,911	10,992	195,559
 Total Functional Expenses	 <u>\$ 41,034,000</u>	 <u>\$ 4,093,569</u>	 <u>\$ 2,017,045</u>	 <u>\$ 47,144,614</u>

See accompanying Notes to Consolidated Financial Statements.

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel and Related Costs	\$ 30,851,747	\$ 3,080,716	\$ 1,084,663	\$ 35,017,126
Occupancy	1,476,001	-	-	1,476,001
Operating Expenses	1,989,820	296,770	19,213	2,305,803
Marketing	557,030	1,151	422,177	980,358
Equipment	1,681,013	62,787	4,611	1,748,411
Dues, Insurance, Professional Fees and Other	1,168,931	798,339	96,372	2,063,642
Interest and Finance	311,362	-	-	311,362
HPF Network Pass Through Expense	125,856	-	-	125,856
Depreciation and Amortization	3,727,368	52,502	12,259	3,792,129
Travel, Employee, and Meeting Expenses	158,880	21,638	10,925	191,443
Acquisition Costs	32,621	-	-	32,621
 Total Functional Expenses	 <u>\$ 42,080,629</u>	 <u>\$ 4,313,903</u>	 <u>\$ 1,650,220</u>	 <u>\$ 48,044,752</u>

See accompanying Notes to Consolidated Financial Statements.
(7)

GREENPATH, INC. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,384,734	\$ 6,902,567
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Paycheck Protection Program Gain on Extinguishment of Debt	(6,100,400)	-
Depreciation and Amortization	3,131,025	3,293,485
Amortization of Identifiable Intangible Assets	300,023	498,644
Interest Expense - Amortization Loan Origination Costs	6,113	6,113
Write-Off of Uncollectible Accounts Receivable	30,319	21,206
Net Unrealized (Gain) Loss on Investments	782,256	(1,910,441)
Net Realized (Gain) Loss on Investments	(628,212)	33,326
Net Change in Fair Value of Interest Rate Swap Agreement	(156,932)	242,911
Loss on Disposal of Property and Equipment	120,739	-
(Increase) Decrease in Assets:		
Accounts Receivable	(839,214)	(197,990)
Prepaid Expenses and Other Current Assets	(158,007)	(128,603)
Client Funds Held in Trust	(84,633)	318,195
Increase (Decrease) in Liabilities:		
Accounts Payable	144,756	234,528
Accrued Payroll and Paid Time Off	639,190	(682,921)
Accrued Expenses and Other Liabilities	479,811	108,045
Deferred Income	954,957	(708,215)
Client Deposits	84,633	(318,195)
Net Cash Provided by Operating Activities	8,091,158	7,712,655
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Equipment, and Intangible Assets	(2,881,775)	(1,435,539)
Proceeds from Sale of Property and Equipment	-	29,058
Sale of Investments	7,095,310	9,150,167
Purchases of Investments	(8,662,268)	(20,791,240)
Net Cash Used by Investing Activities	(4,448,733)	(13,047,554)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from CARES Act Paycheck Protection Program Loan	-	6,100,400
Principal Payments on Notes Payable	(981,534)	(959,358)
Payments on Capital Leases	(383,025)	(421,577)
Net Cash Provided (Used) by Financing Activities	(1,364,559)	4,719,465
NET INCREASE (DECREASE) IN CASH	2,277,866	(615,434)
Cash - Beginning of Year	3,570,122	4,185,556
CASH - END OF YEAR	\$ 5,847,988	\$ 3,570,122
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 266,151	\$ 310,597

See accompanying Notes to Consolidated Financial Statements.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GreenPath's mission statement is "Empowering people to lead financially healthy lives." GreenPath works with people and organizations across the nation to support the financial wellness of individuals and to build a world where it's easier to make healthy financial choices. Our goal is to "Remix the American dream so it works for everyone."

GreenPath, Inc. dba: GreenPath Financial Wellness (GreenPath) was incorporated as a nonprofit organization under the laws of the state of Michigan in March 1967 as successor to operations previously conducted by the Michigan League Budget Service. GreenPath is exempt from federal income taxes under the Internal Revenue Code (IRC) Section 501(c)(3). GreenPath provides professional counseling to families and individuals needing guidance in the management of their personal finances and budgeting, arranges for programs of orderly debt payment in appropriate cases, provides the counseling and education required under the Bankruptcy Abuse Prevention and Consumer Protection Act, and educates the general public in the proper use of consumer credit. In addition, GreenPath is certified by the Federal Department of Housing and Urban Development (HUD) to provide housing counseling relevant to pre-purchase home buyer education, mortgage delinquency, loss mitigation, reverse mortgage counseling, and rental counseling. The majority of GreenPath's revenue is from client fees and contributions from numerous creditors.

Effective September 1, 2017, GreenPath and Homeownership Preservation Foundation (HPF) executed an affiliation agreement whereby GreenPath became the sole corporate member of HPF. HPF was incorporated in 2003 as a nonprofit organization under the laws of the state of Minnesota. HPF is exempt from Federal income taxes under IRC Section 501(c)(3). HPF is dedicated to guiding people onto the path of sustainable homeownership and improving their overall financial health.

Effective April 30, 2018, GreenPath and Rural Dynamics, Incorporated (RDI) executed an asset transfer agreement and then, effective June 1, 2018, executed an affiliation agreement whereby GreenPath became the sole corporate member of RDI. RDI was incorporated in 1968 as a nonprofit financial service corporation currently serving Montana. RDI's work consists of a systems approach to change, moving individuals and families along a path toward economic independence. RDI accomplishes this by using strategies to help people earn, keep, and grow assets.

Effective March 1, 2019, GreenPath and Consumer Credit Counseling Service of Delaware Valley (Clarifi) executed an asset transfer agreement and an affiliation agreement whereby GreenPath became the sole corporate member of Clarifi. Clarifi was incorporated in 1966 as a nonprofit organization whose mission is to create hope by helping people identify and secure the most important assets in their lives.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In October 2019, HPF formally established a disregarded LLC named Innovative Financial Services (IFS). The purpose of IFS is to isolate projects that differ from traditional credit counseling but still align with the Organization's tax-exempt purpose. All activities of IFS are included in the HPF financial statements.

Consolidation Policy

Reporting of related entities by nonprofit organizations requires entities to issue consolidated financial statements for all entities in which the organization has a controlling and economic interest. GreenPath and HPF have the same board of directors. GreenPath is the sole corporate member of RDI and Clarifi and controls who sits on the boards. GreenPath is able to exercise significant control over HPF, RDI and Clarifi and has an economic interest. Consequently, the accompanying consolidated financial statements include the accounts of GreenPath, HPF, RDI and Clarifi (collectively, the Organization). All significant inter-organization balances and transactions have been eliminated in the accompanying consolidated financial statements.

Cash and Cash Equivalents

The Organization considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash and cash equivalents consist of amounts that are restricted under agency contracts and therefore are segregated into separate accounts.

The Organization maintains its cash accounts in several commercial financial institutions. At times throughout the year, the Organization's cash deposited in financial institutions may exceed Federal Deposit Insurance Corporation insurance limits. The Organization reviews concentrations of cash deposits held with any individual depository and does not believe any significant concentration risk exists at December 31, 2021 and 2020.

Investments

Investment purchases are recorded at cost. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment management and custodial fees.

Accounts Receivable

Accounts receivable represents amounts to be received from various services, net of an allowance for doubtful accounts. All are due within one year. There are no restrictions on these receivables. An allowance for doubtful accounts is established based on specific assessment of all invoices that remain unpaid following normal customer payment periods and management's estimate of the collectability of accounts receivable according to prior experience.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local and Federal Government Contracts

Conditional local government grants and contract funds are recognized as revenue when eligible expenditures, as defined in each contract, are made or service metrics are achieved (over time). Grants and contract funds of \$1,467,089 and \$522,000 have not been recognized as qualifying expenditures have not yet been incurred or metrics not achieved and are included as deferred income as of December 31, 2021 and 2020, respectively. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Contributions

Contributions are recognized as revenue based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenue are recognized at the time the Organization is notified of the contribution, regardless of the timing of the cash receipt. For contributions with donor-imposed conditions - that is, those with a measurable performance or other barrier and a right or return or release - revenue is recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

Program Service Fees

Program Service Fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to their program participants. These amounts are due from clients, third-party payors (including financial institutions and government programs). Fees are either collected at time of service (Clients) or billed to the participants and third-party payors several days after the services are performed. Revenue is recognized when program services are complete and performance obligations are satisfied. Payments received in advance of the performance of services are deferred until the program services are complete and performance obligations are satisfied. The Organization recorded deferred income of \$215,059 and \$194,773 as of December 31, 2021 and 2020, respectively.

In-Kind Contributions

Contribution of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The contributions presented on the accompanying consolidated statements of activities and changes in net assets include contributed materials and services valued at \$45,983 and \$117,245 for the years ended December 31, 2021 and 2020, respectively.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment purchases are recorded at cost. Contributed items are recorded at fair market value at the date of donation. Fixed assets include all property, leasehold improvements, furnishings, and equipment with a useful life of more than one year and a purchase price of more than \$2,500 for an item or related group of items. The estimated useful lives of property and equipment are as follows:

	<u>Depreciable Life</u>
Building	40 Years
Building and Land Improvements	15 Years
Leasehold Improvement	Term of Lease
Furniture and Fixtures	7 Years
Internally Developed Software	5 to 10 Years
Purchased Software	3 Years
Capitalized Equipment Leases	Term of Lease
Website	3 Years
Computer Hardware	3 to 5 Years

Leasehold improvements are being amortized over the shorter of the lease term or the useful life of the improvements.

Depreciation on buildings and equipment and amortization of land improvements, equipment and computer software are computed using the straight-line method over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketing and Promotional Cost

The Organization accounts for advertising costs by expensing the costs as incurred. Costs associated with advertising amounted to \$821,761 and \$756,411 for the years ended December 31, 2021 and 2020, respectively.

Estimates

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

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization utilizes segments of the account structure in the Enterprise Resource Planning (ERP) system to assign direct costs to functions. Either the account main segment or the department segment can be identified as a direct expense for program, administrative or fundraising functions. Only expenses consistent with the function are posted to the main or department segments. Indirect costs are allocated to departments based on wage expense in each respective department and are therefore allocated to functions based on the proportional benefit.

GreenPath has shared service agreements with the affiliates. Labor costs are allocated to the entities based on staff time tracking and are reviewed monthly or they are allocated based on a fixed percentage as outlined in the service agreements established on budgets annually. Any shared service expenses between GreenPath and affiliates follow the above methodologies in terms of using account main and department segments to assign direct costs to functional expenses for those affiliates.

Unique expenses that do not follow the above methodology would be the wages, payroll taxes, and benefits of certain executive staff. These staff expenses are allocated to a function based on job description rather than account main or department segments.

Interest-Rate Swap

GreenPath uses an interest-rate swap to mitigate interest-rate risk on notes payable. The related liability or asset is reported at fair value in the statements of financial position, and unrealized gains or losses are included in the consolidated statements of activities.

Concentration and Credit Risk

Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and financial institutions. Approximately 40% and 48% of the Organization's consolidated receivables for the years ended December 31, 2021 and 2020, respectively, are from the U.S. Department of Housing and Urban Development.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the IRC. The Organization determined it was not required to record a liability related to uncertain tax positions.

Contingencies

The Organization from time-to-time is party to various legal actions associated with normal business activities, the aggregate effect of which, in management's opinion, would not have a material adverse effect on the financial condition or results of operations of the Organization. As of December 31, 2021, there were no such open legal actions.

Subsequent Events

The Organization has evaluated subsequent events through May 12, 2022, the date which the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, equity and fixed income mutual fund investments, and a line of credit. The receivables are subject to time restrictions but will be collected within one year of the statement of financial position date.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization strives to operate with a balanced budget and in typical years anticipates collecting sufficient revenue to cover general expenditures. As part of liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments.

Financial Assets at December 31:	2021	2020
Cash	\$ 5,869,967	\$ 3,570,122
Investments	27,887,166	26,474,252
Accounts Receivable, Net	5,085,584	5,022,599
Total Financial Assets	\$ 38,842,717	\$ 35,066,973

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The Organization's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The interest rate swap agreement is valued using a third party's proprietary discounted cash flow model, which considers past, present, and future assumptions regarding interest rates and market conditions to estimate the fair value of the agreement. This is classified within Level 2.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following presents assets and liabilities measured at fair value on a recurring basis at December 31:

	2021			Total
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Mutual Funds:				
U.S. Equities	\$ 11,673,950	\$ -	\$ -	\$ 11,673,950
International Equities	2,927,038	-	-	2,927,038
Taxable Fixed Income	13,286,178	-	-	13,286,178
Total	<u>\$ 27,887,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,887,166</u>
Interest Rate Swap Liability	<u>\$ -</u>	<u>\$ (142,952)</u>	<u>\$ -</u>	<u>\$ (142,952)</u>
	2020			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Mutual Funds:				
U.S. Equities	\$ 8,556,457	\$ -	\$ -	\$ 8,556,457
International Equities	2,181,330	-	-	2,181,330
Taxable Fixed Income	15,736,465	-	-	15,736,465
Total	<u>\$ 26,474,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,474,252</u>
Interest Rate Swap Liability	<u>\$ -</u>	<u>\$ (299,884)</u>	<u>\$ -</u>	<u>\$ (299,884)</u>

Investment income for the years ended December 31 are as follows:

	2021	2020
Interest and Dividends	\$ 1,608,289	\$ 668,784
Realized Gains (Losses) on Investments	628,212	(33,326)
Unrealized Gains (Losses) on Investments	(782,256)	1,910,441
Investment Management Fees	(44,111)	(31,995)
Total	<u>\$ 1,410,134</u>	<u>\$ 2,513,904</u>

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 INTANGIBLES

GreenPath intangibles related to Debt Management Programs (DMPs) are summarized as follows at December 31:

	<u>2021</u>	<u>2020</u>
Net Book Value - Beginning of Year	\$ 337,188	\$ 835,832
Amortization	<u>(300,023)</u>	<u>(498,644)</u>
Net Book Value - End of Year	<u>\$ 37,165</u>	<u>\$ 337,188</u>

The amount of amortization expense to be incurred in 2022 amounts to \$37,165.

NOTE 5 MATL GRANT RESTRICTED FUNDS

RDI was awarded a grant from the University of Montana to develop, manage, and operate the Montana Assistive Technology Loan (MATL) program to help Montanans with disabilities fund Assistive Technology devices and services. Annually on September 30, a loan pool valuation will be determined. At that time the initial loan pool combined with any additional loan pool funding thereafter, less loans outstanding and any portfolio decrease due to defaulted loans will be directed to an operating account for loan loss reserves, direct costs, and cost of administration of the program. At December 31, 2021 and 2020, the MATL grant loan pool amounted to \$1,828,072 and \$1,341,506, respectively, and has been recorded as an asset on the accompanying consolidated statements of financial position.

RDI is committed to continue the MATL program as long as there is funding available and until all outstanding loans have been repaid. If at any time the MATL program is discontinued, while there are still funds available to operate it, RDI will return the funds remaining in the permanent separate account to the University of Montana except for any funds being used for grant purposes, such as outstanding loans. As such, \$1,828,072 and \$1,341,506 has been recorded as a liability on the accompanying consolidated statements December 31, 2021 and 2020, respectively.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6 PROPERTY AND EQUIPMENT

The principal categories of property and equipment may be summarized as follows:

	<u>2021</u>	<u>2020</u>
Land and Improvements	\$ 4,049,674	\$ 3,733,235
Buildings and Improvements	23,351,516	23,406,205
Office Equipment	2,809,507	3,024,456
Computer Hardware	4,516,592	4,130,998
Software and Licenses	16,205,610	15,641,590
Capital Lease	1,645,282	1,824,282
Vehicles	1,000	1,000
Work In Progress	<u>2,120,825</u>	<u>460,078</u>
Total Cost	54,700,006	52,221,844
Less: Accumulated Depreciation and Amortization	<u>(26,051,826)</u>	<u>(23,203,675)</u>
Property and Equipment, Net	<u>\$ 28,648,180</u>	<u>\$ 29,018,169</u>

Depreciation and amortization expense on land improvements, buildings, equipment, and software totaled \$3,131,024 and \$3,293,485 for the years ended December 31, 2021 and 2020, respectively.

Work in Progress at December 31, 2021 and 2020 represents the cost incurred to develop a new proprietary Customer Management System. The new system will fully replace the existing system and greatly enhance GreenPath's overall capabilities to deliver program services. The project is expected to be completed by March 2024, with a total budget of approximately \$11.6 million dollars. The project is being financed by internal operations and reserve funds.

NOTE 7 LEASE COMMITMENTS

GreenPath leases equipment from unrelated parties under two noncancellable capital leases. Monthly lease payments under the capital leases, which expire through October 2022, total \$32,589 with imputed interest ranging from 3.51% to 4.68%.

The Organization has noncancellable operating leases for branch offices, computers, and miscellaneous office equipment expiring on various dates through 2029.

Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2022	\$ 325,887	\$ 863,182
2023	-	335,918
2024	-	276,887
2025	-	190,192
2026	-	188,678
Thereafter	-	453,783
Total Minimum Lease Payments	<u>325,887</u>	<u>\$ 2,308,640</u>
Less: Amount Representing Interest	<u>5,294</u>	
Capital Lease Obligation	<u>\$ 320,593</u>	

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 LEASE COMMITMENTS (CONTINUED)

Rent expense was \$992,435 and \$1,195,531, for the years ended December 31, 2021 and 2020, respectively.

Leased property under capital leases at December 31 includes the following:

	2021	2020
Equipment	\$ 1,645,282	\$ 1,824,282
Less: Accumulated Amortization	1,334,039	1,145,986
Net Book Value	\$ 311,243	\$ 678,296

NOTE 8 LINE OF CREDIT

GreenPath has a revolving bank line of credit agreement providing for maximum borrowings of \$3,000,000. Borrowings are secured by all of GreenPath and HPF's assets (excluding client trust funds) and bears interest at the bank's Bloomberg Short-Term Bank Yield (BSBY) (London Interbank Offered Rate (LIBOR) at December 31, 2020) rate index plus 1.75% (1.83% and 1.89% at December 31, 2021 and 2020, respectively) There was no outstanding balance as of December 31, 2021 and 2020.

NOTE 9 CARES ACT PAYCHECK PROTECTION PROGRAM LOAN

On April 11, 2020, GreenPath received a loan from PNC Bank in the amount of \$6,100,400 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program Flexibility Act of 2020 (the PPP Loan). The PPP Loan was forgiven by the U.S. Small Business Administration (SBA) in June 2021 and GreenPath recognized revenue of \$6,100,400 at this time.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on GreenPath's financial position.

NOTE 10 LONG-TERM DEBT

In 2021, GreenPath extended its main office building mortgage and the related interest rate swap agreement, discussed in Note 11, to a new maturity of February 1, 2028, details provided under description below.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 LONG TERM DEBT (CONTINUED)

GreenPath notes payable as of December 31:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Headquarter Office Building Mortgage dated February 2016, bearing interest of LIBOR plus 70% of floating index borrowing spread of 1.05% (aggregating 1.50% at December 31, 2021 and 2020). Payable in monthly principal installments of approximately \$75,000 plus interest with balloon payment of \$3,287,927 due February 1, 2028. The agreement requires the Organization to maintain certain financial ratios.	\$ 9,119,044	\$ 10,001,402
Software Term Note dated January 2017, bore interest of LIBOR plus 1.75% (aggregating 1.89% at December 31, 2020). Payable in monthly principal installments of \$8,271 plus interest and matured December 1, 2021.	-	99,176
Capital Leases for Equipment (see Note 7)	320,593	703,618
Total	<u>9,439,637</u>	<u>10,804,196</u>
Less: Unamortized Loan Origination Costs	(56,032)	(62,145)
Less: Current Maturities of Long-term Debt	<u>(1,223,477)</u>	<u>(1,364,559)</u>
Long-Term Debt, Excluding Current Maturities	<u>\$ 8,160,128</u>	<u>\$ 9,377,492</u>

The amounts of long-term debt, including capital leases, coming due for the five years following December 31, 2021 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 1,223,477
2023	923,680
2024	945,696
2025	967,868
2026	990,708
Thereafter	<u>4,388,208</u>
Total	<u>\$ 9,439,637</u>

Interest expense totaled \$266,048 and \$310,049 for the years ended December 31, 2021 and 2020, respectively, of which \$6,113 was related to the amortization of loan origination costs in 2021 and 2020.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 11 INTEREST RATE SWAP AGREEMENT

GreenPath entered into an interest rate swap agreement (interest rate swap) to receive variable rate interest and pay fixed rate interest for a period consistent with the term of the debt.

The interest rate swap is a fixed rate agreement in the notional amount of \$9,928,377 which amortizes over time. The interest rate swap has a termination date of February 1, 2028. The fixed rate paid by GreenPath is set at 2.26% and was effective January 4, 2021 (Previously 2.29%).

The interest rate swap has been marked to fair market value based upon a valuation by an investment bank. The change in value for the effective cash flow hedge of \$(156,932) and \$242,911 has been included in net assets without donor restrictions for the years ended December 31, 2021 and 2020, respectively.

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2021	2020
Subject to Expenditure for a Specified Purpose	\$ 1,768,000	\$ 1,493,113
Subject to Purpose and Time Restrictions	800,000	-
Total	<u>\$ 2,568,000</u>	<u>\$ 1,493,113</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2021	2020
Satisfaction of Purpose Restrictions	\$ 2,265,113	\$ 1,714,259
Satisfaction of Purpose and Time Restrictions	200,000	-
Total	<u>\$ 2,465,113</u>	<u>\$ 1,714,259</u>

NOTE 13 BENEFIT PLANS

The Organization has a 403(b) retirement plan for all employees. Employees may elect to contribute to the program, up to specified amounts allowed under the IRC. The Organization contributed 5% and 4% of an employee's gross wages for the years ended December 31, 2021 and 2020, respectively.

The Organization had a 401(a) profit sharing pension plan (401(a) plan) for employees. Employer contributions to the plan are based on a percentage of each employee's salary. The Organization terminated the 401(a) plan effective July 1, 2021, in which the 401(a) plan employer contributions were moved into the Organization's existing 403(b) plan.

Organization contributions net of forfeitures into 401(a) and 403(b) plans totaled \$1,314,990 and \$1,073,258 for the years ended December 31, 2021 and 2020, respectively.

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 14 CLIENT FUNDS HELD IN TRUST

The Organization has restricted funds which includes client funds held in trust. As of December 31, 2021 and 2020, the client funds were \$9,263,580 and \$9,178,947, respectively. A liability for the same is included on the accompanying consolidated statement of financial position as of December 31, 2021 and 2020.

NOTE 15 POOLED TRUST

During 2020 RDI became the trustee of the Montana Families Trust (the Trust), a pooled supplemental needs trust. The assets of the Trust are to be used for health, education, maintenance, and other supplementary care, not provided by other governmental sources, of the disabled individual beneficiaries in accordance with their life care plan. RDI has fiduciary responsibility over the Trust and approves distributions for which RDI is paid a minimum annual management fee of \$75, or 1% of each account balance, whichever is greater, up to a maximum fee of \$1,200. Also, upon the death of the primary beneficiary, RDI will receive 10% of remaining individual trust assets, if any, after paying state and federal taxes owed.

The Trust balance was \$2,839,739 and \$3,284,732 as of December 31, 2021 and 2020, respectively. A liability for the same is included on the accompanying consolidated statement of financial position as of December 31, 2021 and 2020.

GREENPATH, INC. AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION – CONSOLIDATING SCHEDULE
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	GP	HPF	Eliminations	Subtotal	RDI	Clarifi	Eliminations	Consolidated
CURRENT ASSETS								
Cash	\$ 2,995,529	\$ 1,143,104	\$ -	\$ 4,138,633	\$ 303,993	\$ 1,427,341	\$ -	\$ 5,869,967
Investments	18,019,718	7,737,066	-	25,756,784	-	2,130,382	-	27,887,166
Accounts Receivable, Less Allowance for Uncollectible Amounts	4,567,424	972,767	(1,571,072)	3,969,119	130,510	1,065,955	(80,000)	5,085,584
Prepaid Expenses and Other Current Assets	1,299,867	6,430	-	1,306,297	5,900	92,191	-	1,404,388
Total Current Assets	<u>26,882,538</u>	<u>9,859,367</u>	<u>(1,571,072)</u>	<u>35,170,833</u>	<u>440,403</u>	<u>4,715,869</u>	<u>(80,000)</u>	<u>40,247,105</u>
OTHER ASSETS								
Intangible Assets	37,165	-	-	37,165	-	-	-	37,165
MATL Grant Restricted Funds	-	-	-	-	1,828,072	-	-	1,828,072
Client Funds Held in Trust	8,960,676	-	-	8,960,676	302,904	-	-	9,263,580
Pooled Trust	-	-	-	-	2,839,739	-	-	2,839,739
Total Other Assets	<u>8,997,841</u>	<u>-</u>	<u>-</u>	<u>8,997,841</u>	<u>4,970,715</u>	<u>-</u>	<u>-</u>	<u>13,968,556</u>
PROPERTY AND EQUIPMENT, Net of Accumulated Depreciation	<u>28,521,921</u>	<u>-</u>	<u>-</u>	<u>28,521,921</u>	<u>24,167</u>	<u>102,092</u>	<u>-</u>	<u>28,648,180</u>
Total Assets	<u>\$ 64,402,300</u>	<u>\$ 9,859,367</u>	<u>\$ (1,571,072)</u>	<u>\$ 72,690,595</u>	<u>\$ 5,435,285</u>	<u>\$ 4,817,961</u>	<u>\$ (80,000)</u>	<u>\$ 82,863,841</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable	\$ 711,016	\$ 688,187	\$ (875,282)	\$ 523,921	\$ 125,738	\$ 138,655	\$ (80,000)	\$ 708,314
Accrued Payroll and Paid Time Off	2,587,122	82,108	-	2,669,230	51,114	263,402	-	2,983,746
Accrued Expenses and Other Liabilities	124,195	700,895	(695,790)	129,300	1,716	3,474	-	134,490
Deferred Income	1,264,899	81,139	-	1,346,038	-	468,695	-	1,814,733
Current Portion of Notes Payable	902,884	-	-	902,884	-	-	-	902,884
Current Portion of Capital Lease Obligation	320,593	-	-	320,593	-	-	-	320,593
Total Current Liabilities	<u>5,910,709</u>	<u>1,552,329</u>	<u>(1,571,072)</u>	<u>5,891,966</u>	<u>178,568</u>	<u>874,226</u>	<u>(80,000)</u>	<u>6,864,760</u>
NONCURRENT LIABILITIES								
Notes Payable, at Principal, Less Unamortized Loan Origination Cost	8,160,128	-	-	8,160,128	-	-	-	8,160,128
MATL Grant Restricted Funds	-	-	-	-	1,828,072	-	-	1,828,072
Client Funds Held in Trust	8,960,676	-	-	8,960,676	302,904	-	-	9,263,580
Pooled Trust	-	-	-	-	2,839,739	-	-	2,839,739
Interest Rate Swap Agreement	142,952	-	-	142,952	-	-	-	142,952
Total Liabilities	<u>23,174,465</u>	<u>1,552,329</u>	<u>(1,571,072)</u>	<u>23,155,722</u>	<u>5,149,283</u>	<u>874,226</u>	<u>(80,000)</u>	<u>29,099,231</u>
NET ASSETS								
Without Donor Restriction	38,871,085	8,307,038	-	47,178,123	286,002	3,732,485	-	51,196,610
With Donor Restrictions	2,356,750	-	-	2,356,750	-	211,250	-	2,568,000
Total Net Assets	<u>41,227,835</u>	<u>8,307,038</u>	<u>-</u>	<u>49,534,873</u>	<u>286,002</u>	<u>3,943,735</u>	<u>-</u>	<u>53,764,610</u>
Total Liabilities and Net Assets	<u>\$ 64,402,300</u>	<u>\$ 9,859,367</u>	<u>\$ (1,571,072)</u>	<u>\$ 72,690,595</u>	<u>\$ 5,435,285</u>	<u>\$ 4,817,961</u>	<u>\$ (80,000)</u>	<u>\$ 82,863,841</u>

GREENPATH, INC. AND ITS SUBSIDIARIES
STATEMENT OF ACTIVITIES – CONSOLIDATING SCHEDULE
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	GP	HPF	Eliminations	Subtotal	RDI	Clarifi	Eliminations	Consolidated
REVENUE								
Program Fees	\$ 30,661,671	\$ 1,790,504	\$ -	\$ 32,452,175	\$ 387,350	\$ 2,200,157	\$ (21,979)	\$ 35,017,703
Public Support:								
Grants - Housing	3,183,798	-	-	3,183,798	-	-	-	3,183,798
Grants - Other	5,197,108	75,651	21,979	5,294,738	430,852	1,570,598	(85,000)	7,211,188
CARES Act Paycheck Protection Program Gain on Extinguishment of Debt	5,475,109	-	-	5,475,109	78,085	547,206	-	6,100,400
Net Investment Income	888,615	441,419	62,529	1,392,563	(1,300)	81,400	(62,529)	1,410,134
Miscellaneous Income (Loss)	(119,190)	5,580	-	(113,610)	7,809	36,973	-	(68,828)
Net Assets Released from Restriction	1,974,263	-	-	1,974,263	47,500	443,350	-	2,465,113
Total Revenue	<u>47,261,374</u>	<u>2,313,154</u>	<u>84,508</u>	<u>49,659,036</u>	<u>950,296</u>	<u>4,879,684</u>	<u>(169,508)</u>	<u>55,319,508</u>
FUNCTIONAL EXPENSES								
Program Expenses	35,172,873	1,478,806	(106,979)	36,544,700	709,717	3,779,583	-	41,034,000
General and Administrative	3,199,653	307,793	-	3,507,446	126,914	459,209	-	4,093,569
Fundraising	1,724,124	60,000	-	1,784,124	13,437	219,484	-	2,017,045
Total Functional Expenses	<u>40,096,650</u>	<u>1,846,599</u>	<u>(106,979)</u>	<u>41,836,270</u>	<u>850,068</u>	<u>4,458,276</u>	<u>-</u>	<u>47,144,614</u>
CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT	<u>156,932</u>	<u>-</u>	<u>-</u>	<u>156,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,932</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	7,321,656	466,555	191,487	7,979,698	100,228	421,408	(169,508)	8,331,826
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS								
Grants - Other	3,150,000	-	-	3,150,000	-	390,000	-	3,540,000
Net Assets Released From Restrictions	(1,974,263)	-	-	(1,974,263)	(47,500)	(443,350)	-	(2,465,113)
CHANGE IN NET ASSETS	8,497,393	466,555	191,487	9,155,435	52,728	368,058	(169,508)	9,406,713
Net Assets - Beginning of Year	<u>32,708,463</u>	<u>7,840,483</u>	<u>-</u>	<u>40,548,946</u>	<u>233,274</u>	<u>3,575,677</u>	<u>-</u>	<u>44,357,897</u>
NET ASSETS - END OF YEAR	<u>\$ 41,205,856</u>	<u>\$ 8,307,038</u>	<u>\$ 191,487</u>	<u>\$ 49,704,381</u>	<u>\$ 286,002</u>	<u>\$ 3,943,735</u>	<u>\$ (169,508)</u>	<u>\$ 53,764,610</u>

GREENPATH, INC. AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS – CONSOLIDATING SCHEDULE
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	GP	HPF	Eliminations	Subtotal	RDI	Clarifi	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in Net Assets	\$ 8,497,393	\$ 466,555	\$ -	\$ 8,963,948	\$ 52,728	\$ 368,058	\$ -	\$ 9,384,734
Adjustments to Reconcile Change in Net Assets to								
Net Cash Provided by Operating Activities:								
Paycheck Protection Program Gain on Extinguishment of Debt	(6,100,400)	-	-	(6,100,400)	-	-	-	(6,100,400)
Depreciation and Amortization	3,068,104	13,505	-	3,081,609	5,088	44,328	-	3,131,025
Amortization of Identifiable Intangible Assets	300,023	-	-	300,023	-	-	-	300,023
Interest Expense - Amortization Loan Origination Costs	6,113	-	-	6,113	-	-	-	6,113
Write-Off (Receipt) of Uncollectible Accounts Receivable	(3,406)	-	-	(3,406)	4,630	29,095	-	30,319
Net Unrealized Loss on Investments	428,746	327,062	-	755,808	-	26,448	-	782,256
Net Realized Gain on Investments	(275,369)	(325,620)	-	(600,989)	-	(27,223)	-	(628,212)
Net Change in Fair Value of Interest Rate Swap Agreement	(156,932)	-	-	(156,932)	-	-	-	(156,932)
Loss on Disposal of Property and Equipment	102,646	346	-	102,992	-	17,747	-	120,739
(Increase) Decrease in Assets:								
Accounts Receivable	(146,639)	(17,609)	(616,270)	(780,518)	(2,618)	(122,811)	66,733	(839,214)
Prepaid Expenses and Other Current Assets	(208,782)	47,423	-	(161,359)	13,818	(10,466)	-	(158,007)
Client Funds Held in Trust	(41,852)	-	-	(41,852)	(42,781)	-	-	(84,633)
Increase (Decrease) in Liabilities:								
Accounts Payable	(12,575)	134,304	86,712	208,441	(22,110)	25,158	(66,733)	144,756
Accrued Payroll and Paid Time Off	510,191	5,835	-	516,026	30,951	92,213	-	639,190
Accrued Expenses and Other Liabilities	(145,509)	93,000	529,558	477,049	(3,093)	5,855	-	479,811
Deferred Income	972,411	(857)	-	971,554	-	(16,597)	-	954,957
Client Deposits	41,852	-	-	41,852	42,781	-	-	84,633
Net Cash Provided by Operating Activities	<u>6,836,015</u>	<u>743,944</u>	<u>-</u>	<u>7,579,959</u>	<u>79,394</u>	<u>431,805</u>	<u>-</u>	<u>8,091,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Property, Equipment, and Intangible Assets	(2,827,103)	-	-	(2,827,103)	-	(54,672)	-	(2,881,775)
Sale of Investments	4,802,691	2,289,455	-	7,092,146	-	3,164	-	7,095,310
Purchases of Investments	(5,845,851)	(2,732,666)	-	(8,578,517)	-	(83,751)	-	(8,662,268)
Net Cash Used by Investing Activities	<u>(3,870,263)</u>	<u>(443,211)</u>	<u>-</u>	<u>(4,313,474)</u>	<u>-</u>	<u>(135,259)</u>	<u>-</u>	<u>(4,448,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES								
Principal Payments on Notes Payable	(981,534)	-	-	(981,534)	-	-	-	(981,534)
Payments on Capital Leases	(383,025)	-	-	(383,025)	-	-	-	(383,025)
Net Cash Used by Financing Activities	<u>(1,364,559)</u>	<u>-</u>	<u>-</u>	<u>(1,364,559)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,364,559)</u>
NET INCREASE IN CASH	1,601,193	300,733	-	1,901,926	79,394	296,546	-	2,277,866
Cash - Beginning of Year	<u>1,372,357</u>	<u>842,371</u>	<u>-</u>	<u>2,214,728</u>	<u>224,599</u>	<u>1,130,795</u>	<u>-</u>	<u>3,570,122</u>
CASH - END OF YEAR	<u>\$ 2,973,550</u>	<u>\$ 1,143,104</u>	<u>\$ -</u>	<u>\$ 4,116,654</u>	<u>\$ 303,993</u>	<u>\$ 1,427,341</u>	<u>\$ -</u>	<u>\$ 5,847,988</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION								
Interest Paid	<u>\$ 266,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,151</u>



**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
GreenPath, Inc. and its Subsidiaries
Farmington Hills, Michigan

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 consolidated financial statements of GreenPath, Inc. which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered GreenPath, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of GreenPath, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of GreenPath, 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 consolidated 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GreenPath, Inc.'s consolidated financial statements are free from 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 consolidated financial statements. 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 results 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

Toledo, Ohio
May 12, 2022



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

Board of Directors
GreenPath, Inc. and its Subsidiaries
Farmington Hills, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited GreenPath, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of GreenPath, Inc.'s major federal programs for the year ended December 31, 2021. GreenPath, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, GreenPath, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GreenPath, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of GreenPath, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to GreenPath, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GreenPath, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GreenPath, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 GreenPath, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of GreenPath, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 GreenPath, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of GreenPath, Inc. as of and for the year ended December 31, 2021, and have issued our report thereon dated May 12, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Toledo, Ohio
May 12, 2022

GREENPATH, INC. AND ITS SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identification Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
(HUD FY20: Stage 1 - Intermediary/Comp & HECM)	14.169	N/A	\$ 19,038	\$ -
(HUD FY20: Stage 3 - Intermediary/Comp & HECM)	14.169	N/A	112,397	-
(HUD FY21-Intermediary/Comp & HECM)	14.169	N/A	1,937,711	85,000
			<u>2,069,146</u>	<u>85,000</u>
Passed through City of Philadelphia Division of Housing and Community Development				
Community Development Block Grants/Entitlement Grants--Clarifi as a Sub-Grantee	14.218	2120253-01	49,260	-
Community Development Block Grants/Entitlement Grants--Clarifi as a Sub-Grantee	14.218	2220237	62,179	-
Total Community Development Block Grants Cluster			<u>111,439</u>	<u>-</u>
Passed through Philadelphia Housing Authority				
Jobs-Plus Pilot Initiative--Clarifi as a Sub-Grantee	14.895	004742, Mod #2	30,000	-
Jobs-Plus Pilot Initiative--Clarifi as a Sub-Grantee	14.895	004742, Mod #3	75,000	-
Total Jobs-Plus Pilot Initiative			<u>105,000</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,285,585</u>	<u>85,000</u>
U.S. Department of Treasury				
Rural Dynamics Direct Program:				
Tax Counseling for the Elderly, 10.2020-09.2021	21.006	N/A	9,488	-
Tax Counseling for the Elderly, 10.2021-09.2022	21.006	N/A	521	-
Total Tax Counseling for the Elderly			<u>10,009</u>	<u>-</u>
Rural Dynamics Direct Program:				
Volunteer Income Tax Assistance (VITA) Matching Grant Program, 10.2020-09.2021	21.009	N/A	98,115	-
Volunteer Income Tax Assistance (VITA) Matching Grant Program, 10.2021-09.2022	21.009	N/A	13,813	-
Passed through United Way of Greater Philadelphia and Southern New Jersey:				
Volunteer Income Tax Assistance (VITA) Matching Grant Program--Clarifi as a Sub-Grantee	21.009	18587	37,500	-
Volunteer Income Tax Assistance (VITA) Matching Grant Program--Clarifi as a Sub-Grantee	21.009	18827	37,500	-
Total Volunteer Income Tax Assistance Grant Program			<u>186,928</u>	<u>-</u>
Passed through City of Philadelphia Division of Housing and Community Development:				
COVID-19 Coronavirus Relief Fund--Clarifi as a Sub-Grantee	21.019	2120253-01	70,000	-
COVID-19 Coronavirus Relief Fund--Clarifi as a Sub-Grantee	21.019	2220237	47,286	-
Total Coronavirus Relief Fund			<u>117,286</u>	<u>-</u>
Passed through Neighborhood Reinvestment Corporation (NRC) dba NeighborWorks America				
Passed through Housing Stability Counseling Program--GreenPath Inc. as an Intermediary	99.U19	N/A	31,853	-
Total U.S. Department of Treasury			<u>346,076</u>	<u>-</u>
Corporation for National and Community Service Direct Programs				
Rural Dynamics Direct Program:				
AmeriCorp VISTA project, 09.13.2020-09.11.2021	94.013	N/A	30,636	-
AmeriCorp VISTA project, 09.12.2021-09.10.2022	94.013	N/A	13,132	-
Total Corporation for National and Community Service Direct Programs			<u>\$ 43,768</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

GREENPATH, INC. AND ITS SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identification Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through University of Montana Assistive Technology Alternative Financing Program-Rural Dynamics as a Sub-Grantee	93.469	PG21-61178-01	\$ 115,646	\$ -
Passed through City of Philadelphia Office of Community Empowerment and Opportunity Community Services Block Grant--Clarifi as a Sub-Grantee	93.569	2020560-02	192,675	-
Community Services Block Grant--Clarifi as a Sub-Grantee	93.569	2120524-01	46,451	-
Total Community Services Block Grant			<u>239,126</u>	<u>-</u>
Passed through Philadelphia Works Passed through Temporary Assistance for Needy Families--Clarifi as a Sub-Grantee	93.558	PW21-032	57,024	-
Passed through Temporary Assistance for Needy Families--Clarifi as a Sub-Grantee	93.558	PW22-032, MOD 1	59,201	-
			<u>116,225</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>470,997</u>	<u>-</u>
U.S. Department of Labor				
Passed through Philadelphia Works WIOA Adult Program--Clarifi as a Sub-Grantee	17.258	PW21-032	24,964	-
WIOA Adult Program--Clarifi as a Sub-Grantee	17.258	PW22-032, MOD 1	25,918	-
Total WIOA Adult Program			<u>50,882</u>	<u>-</u>
Passed through Philadelphia Works WIOA Dislocated Worker Formula Grants--Clarifi as a Sub-Grantee	17.278	PW21-032	14,662	-
WIOA Dislocated Worker Formula Grants--Clarifi as a Sub-Grantee	17.278	PW22-032, MOD 1	15,222	-
Total WIOA Dislocated Worker Formula Grant			<u>29,884</u>	<u>-</u>
Total U.S. Department of Labor			<u>80,766</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,227,192</u>	<u>\$ 85,000</u>

GREENPATH, INC. AND ITS SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of GreenPath Inc. and its subsidiaries, under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The Organization has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and does not allocate indirect costs.

**GREENPATH, INC. AND ITS SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

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 | _____ <u>X</u> _____ no |
| • Significant deficiency (ies) identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> _____ none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | _____ <u>X</u> _____ no |

Federal Awards

- | | | |
|---|------------|-------------------------|
| 1. Internal control over major programs: | | |
| • Material weakness (es) identified? | _____ yes | _____ <u>X</u> _____ no |
| • Significant deficiency (ies) identified that are not considered to be material weakness (es)? | _____ yes | _____ <u>X</u> _____ no |
| 2. Type of auditors’ report issued on compliance for major programs: | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ yes | _____ <u>X</u> _____ no |

Identification of Major Federal Programs:

Assistance Listing Number(s)

14.169

Name of Federal Program or Cluster

Housing Counseling Assistance Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ X _____ yes _____ no

**GREENPATH, INC. AND ITS SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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 200.516(a)

**GREENPATH, INC. AND ITS SUBSIDIARIES
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2021**

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details. **CliftonLarsonAllen LLP**

