

PATHWAYS TO INDEPENDENCE
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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**PATHWAYS TO INDEPENDENCE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pathways to Independence
Huntington Beach, California

Opinion

We have audited the financial statements of Pathways to Independence which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pathways to Independence as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pathways to Independence and to meet our 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.

Other Matter

The financial statements of Pathways to Independence as of December 31, 2023, were audited by Ronald Blue & Co. CPAs whose partners and professional staff joined CliftonLarsonAllen LLP as of May 1, 2024, and subsequently ceased operations. Ronald Blue & Co. CPAs' report dated April 5, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pathways to Independence's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pathways to Independence's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pathways to Independence's ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Irvine, California
May 6, 2025

**PATHWAYS TO INDEPENDENCE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,144,868	\$ 1,161,211
Investments	551,597	444,388
Client Loans Receivable	3,129	7,380
Prepaid Expenses	37,440	41,947
Property and Equipment, Net	4,230,655	4,360,327
Total Assets	<u>\$ 5,967,689</u>	<u>\$ 6,015,253</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 41,386	\$ 14,583
Accrued Expenses	55,902	58,631
Total Liabilities	<u>97,288</u>	<u>73,214</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	5,677,191	5,723,226
Board-Designated	179,892	179,892
With Donor Restrictions	13,318	38,921
Total Net Assets	<u>5,870,401</u>	<u>5,942,039</u>
Total Liabilities and Net Assets	<u>\$ 5,967,689</u>	<u>\$ 6,015,253</u>

See accompanying Notes to Financial Statements.

**PATHWAYS TO INDEPENDENCE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions and Grants	\$ 766,696	\$ 124,725	\$ 891,421	\$ 644,928	\$ 199,173	\$ 844,101
Donated Stock	74,845	-	74,845	10,266	-	10,266
Special Events, Net	720,844	-	720,844	800,859	-	800,859
Occupancy Fees - Residential Program	197,330	-	197,330	205,678	-	205,678
Investment Income (Loss), Net	36,402	-	36,402	42,451	-	42,451
Interest	23,011	-	23,011	11,629	-	11,629
Gifts-In-Kind	4,172	-	4,172	2,623	-	2,623
Net Assets Released from Restriction	150,328	(150,328)	-	223,553	(223,553)	-
Total Support and Revenue	1,973,628	(25,603)	1,948,025	1,941,987	(24,380)	1,917,607
EXPENSES						
Program Activities	1,530,972	-	1,530,972	1,273,799	-	1,273,799
Supporting Activities:						
General and Administrative	239,846	-	239,846	289,724	-	289,724
Fundraising	248,845	-	248,845	328,263	-	328,263
Total Supporting Activities	488,691	-	488,691	617,987	-	617,987
Total Expenses	2,019,663	-	2,019,663	1,891,786	-	1,891,786
CHANGE IN NET ASSETS	(46,035)	(25,603)	(71,638)	50,201	(24,380)	25,821
Net Assets - Beginning of Year	5,903,118	38,921	5,942,039	5,852,917	63,301	5,916,218
NET ASSETS - END OF YEAR	<u>\$ 5,857,083</u>	<u>\$ 13,318</u>	<u>\$ 5,870,401</u>	<u>\$ 5,903,118</u>	<u>\$ 38,921</u>	<u>\$ 5,942,039</u>

See accompanying Notes to Financial Statements.

**PATHWAYS TO INDEPENDENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Advertising and Marketing	\$ 5,472	\$ 3,807	\$ 1,646	\$ 10,925
Auto	141,905	-	-	141,905
Bank and Merchant Fees	562	961	8,483	10,006
Books and Supplies	70,254	2,564	20	72,838
Client Services	37,907	-	-	37,907
Conferences and Meetings	7,212	16,420	2,179	25,811
Contributions Made	623	-	-	623
Depreciation	155,830	-	-	155,830
Dues, Subscriptions, and Fees	3,680	2,894	1,706	8,280
Employee Benefits	20,472	9,874	3,555	33,901
Events	-	-	47,067	47,067
Furnishings	5,649	-	-	5,649
Housing	303,260	-	-	303,260
Interest	269	-	-	269
Insurance	11,304	10,596	11,010	32,910
Payroll Taxes	20,113	6,985	12,124	39,222
Printing and Postage	6,410	14,431	663	21,504
Professional Fees	5,387	30,417	45,740	81,544
Repairs and Maintenance	101,073	-	-	101,073
Salaries and Wages	252,103	85,729	111,359	449,191
Telecommunications	1,593	55,168	3,293	60,054
Therapy and Medical	209,375	-	-	209,375
Travel	-	-	-	-
Tuition Fees	87,793	-	-	87,793
Utilities	82,726	-	-	82,726
Total Expenses by Function	<u>\$ 1,530,972</u>	<u>\$ 239,846</u>	<u>\$ 248,845</u>	<u>\$ 2,019,663</u>

See accompanying Notes to Financial Statements.

**PATHWAYS TO INDEPENDENCE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Advertising and Marketing	\$ 5,519	\$ 6,739	\$ 1,660	\$ 13,918
Auto	148,051	-	-	148,051
Bank and Merchant Fees	986	1,333	14,876	17,195
Books and Supplies	24,162	4,724	36	28,922
Client Services	28,636	-	-	28,636
Conferences and Meetings	9,143	20,816	2,762	32,721
Depreciation	154,540	-	-	154,540
Dues, Subscriptions, and Fees	6	17,271	11,186	28,463
Employee Benefits	16,684	8,047	2,897	27,628
Events	-	-	75,485	75,485
Furnishings	9,793	-	-	9,793
Housing	237,074	-	-	237,074
Insurance	10,925	13,614	8,004	32,543
Miscellaneous	513	4,474	-	4,987
Payroll Taxes	20,106	7,016	12,178	39,300
Printing and Postage	4,521	11,415	574	16,510
Professional Fees	11,660	48,760	47,475	107,895
Repairs and Maintenance	62,370	-	-	62,370
Salaries and Wages	226,805	113,654	148,923	489,382
Telecommunications	1,168	31,861	1,774	34,803
Therapy and Medical	140,239	-	-	140,239
Travel	-	-	433	433
Tuition Fees	83,209	-	-	83,209
Utilities	77,689	-	-	77,689
Total Expenses by Function	<u>\$ 1,273,799</u>	<u>\$ 289,724</u>	<u>\$ 328,263</u>	<u>\$ 1,891,786</u>

See accompanying Notes to Financial Statements.

**PATHWAYS TO INDEPENDENCE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (71,638)	\$ 25,821
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	155,830	154,540
Donated Stock	(74,845)	(10,266)
Realized and Unrealized (Gain) Loss and Reinvested Earnings	(32,364)	(42,451)
Changes in:		
Client Loans Receivable	4,251	(4,805)
Prepaid Expenses	4,507	(11,187)
Accounts Payable	26,803	(29,841)
Accrued Expenses	(2,729)	32,245
Net Cash Provided by Operating Activities	<u>9,815</u>	<u>114,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(26,158)	(32,832)
Net Cash Used by Investing Activities	<u>(26,158)</u>	<u>(32,832)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,343)	81,224
Cash and Cash Equivalents - Beginning of Year	<u>1,161,211</u>	<u>1,079,987</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,144,868</u></u>	<u><u>\$ 1,161,211</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Cash Paid for:		
Income Taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ 269</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Pathways to Independence (the Organization, we, us, our) was established in 1994 as a California nonprofit corporation to provide long-term and comprehensive assistance through personalized strategies to young women in Long Beach and Orange County who are living below the poverty level, who come from an abusive background, and who have a serious desire to become financially and socially self-sufficient and to contribute to our society. This assistance includes education and job training, professional counseling and medical care, part-time employment, and mentoring.

In order to provide for the physical, emotional, and psychological needs of its clients throughout their educational training, the Organization seeks participation and contributions from individuals, healthcare professionals, and businesses.

Basis of Presentation

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

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Client Loans Receivable

From time-to-time and on a case-by-case basis, the Organization will provide an advance of the monthly stipend to a client. These advances are recorded as loans receivable on the statements of financial position and are paid back by the clients through a deduction of future stipends. Client loans receivable are not considered contract assets. Management has determined that the current expected credit loss for client loans receivable is immaterial to the financial statements.

**PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

We record property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review 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. There were no indicators of asset impairment during the year ended December 31, 2024 and 2023.

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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expired, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a benefit interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue is recognized when earned.

Revenue from contracts is recognized when the Organization satisfies a performance obligation by transferring a promised good or service to a customer. The Organization considers the terms of the contract and all relevant facts and circumstances when applying the revenue recognition standard. The Organization also applies the revenue recognition standard consistently to contracts with similar characteristics and in similar circumstances. Rental income, presented as occupancy fees on the statements of activities, is recognized over the period of time that a tenant occupies a residential unit.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Donated Services and In-Kind Contributions

Volunteers contribute amounts of time to the program activities, administration, and fundraising and development activities carried out by the Organization. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by US GAAP. Gifts-in-kind are recorded at fair value at the date of the donation, which is determined using comparison to retail markets for similar products. The Organization has a policy to utilize gifts-in-kind for program and administrative activities. There are no restrictions on gifts-in-kind unless otherwise noted. Gifts-in-kind comprised of supplies amounted to \$4,172 and \$2,623 for the years ended December 31, 2024 and 2023, respectively. Supplies are valued at the price that would have been paid in the principal market, namely retail price.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The 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 expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort

**PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising and Marketing Costs

The Organization records advertising and marketing expenses when incurred. Advertising and marketing expense for the years ended December 31, 2024 and 2023, was \$10,925 and \$13,918, respectively.

Income Taxes

Pathways to Independence is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in Internal Revenue Code (IRC) Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the entity did not earn unrelated business income and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.)

Estimates

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

Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation. These reclassifications had no impact on the change in net assets.

Subsequent Events

Management has evaluated subsequent events through May 6, 2025, the date the financial statements were available to be issued.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 LIQUIDITY AND AVAILABILITY

As part of liquidity management, the Organization has adopted a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure within one year consisted of the following at December 31:

	2024	2023
Financial Assets:		
Cash and Cash Equivalents	\$ 1,144,868	\$ 1,161,211
Investments	551,597	444,388
Client Loans Receivable	3,129	7,380
Total Financial Assets	<u>1,699,594</u>	<u>1,612,979</u>
Donor or Other Contractual Restrictions:		
Donor Contributions With Specific Purpose Restrictions	13,318	38,921
Board-Designated Rainy Day Fund	179,892	179,862
Total Donor or Other Contractual Restrictions	<u>193,210</u>	<u>218,783</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,506,384</u>	<u>\$ 1,394,196</u>

NOTE 3 INVESTMENTS

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset 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, 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 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 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.

PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 INVESTMENTS (CONTINUED)

In some cases, the inputs used to measure the fair value of an asset 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. 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.

Mutual Funds, and ETFs – Valued at the closing price reported on the active market on which individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

2024				
	Level 1	Level 2	Level 3	Total
Investments:				
Cash Equivalents	\$ -	\$ -	\$ -	\$ 9,519
Mutual Funds, ETFs	542,078	-	-	542,078
Total Investments	<u>\$ 542,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551,597</u>
2023				
	Level 1	Level 2	Level 3	Total
Investments:				
Cash Equivalents	\$ -	\$ -	\$ -	\$ 27,903
Mutual Funds, ETFs	416,485	-	-	416,485
Total Investments	<u>\$ 416,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,388</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Land	\$ 1,851,301	\$ 1,851,301
Buildings and Improvements	4,312,152	4,285,994
Appliances and Furniture	60,765	60,765
Total Property and Equipment	6,224,218	6,198,060
Less: Accumulated Depreciation	(1,993,563)	(1,837,733)
Property and Equipment, Net	<u>\$ 4,230,655</u>	<u>\$ 4,360,327</u>

**PATHWAYS TO INDEPENDENCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor purpose restrictions consisted of the following at December 31:

	2024	2023
Tuition and Virtual Learning	\$ -	\$ 33,221
Mental Health	13,318	5,700
Total Net Assets With Donor Restrictions	<u>\$ 13,318</u>	<u>\$ 38,921</u>

NOTE 6 RISKS AND UNCERTAINTIES

The Organization is party to occasional legal disputes in the normal course of business, and maintains adequate general counsel in order to mitigate risks and losses. The Organization believes its insurance coverage would cover any potential settlements or losses; therefore, the accompanying financial statements include no adjustments relating to the effects of such matters.

