

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022



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**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Pathways of Steele County, Inc.
Owatonna, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Pathways of Steele County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Pathways of Steele County, Inc. as of December 31, 2023 and 2022, and the changes in its net assets 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 audits 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 Community Pathways of Steele County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 Community Pathways of Steele County, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Pathways of Steele County, 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 Community Pathways of Steele County, 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.



CliftonLarsonAllen LLP

Austin, Minnesota
September 25, 2024

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 210,892	\$ 249,490
Investments	10,412	10
Grants Receivable	32,425	-
Promises to Give, Net	49,239	90,939
Inventory	84,994	97,417
Prepaid Expenses	200	-
Total Current Assets	388,162	437,856
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	2,258,973	2,318,180
Total Assets	\$ 2,647,135	\$ 2,756,036
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 14,045	\$ 56,430
Accrued Liabilities	24,513	21,412
Refundable Advance	400	-
Line of Credit	50,022	95,117
Total Current Liabilities	88,980	172,959
Total Liabilities	88,980	172,959
NET ASSETS		
Net Assets Without Donor Restrictions	2,543,155	2,583,077
Net Assets With Donor Restrictions	15,000	-
Total Net Assets	2,558,155	2,583,077
Total Liabilities and Net Assets	\$ 2,647,135	\$ 2,756,036

See accompanying Notes to Financial Statements.

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:			
General Public	\$ 587,852	\$ 15,000	\$ 602,852
Grant Revenues	249,326	-	249,326
Capital Campaign Contributions	53	-	53
Special Event Revenue	80,845	-	80,845
In-Kind Contributions:			
Donated Commodities	1,131,739	-	1,131,739
Donated Services	5,759	-	5,759
Total Support	2,055,574	15,000	2,070,574
 REVENUES			
Thrift Store Revenue	57,464	-	57,464
Interest and Dividend Income	140	-	140
Realized and Unrealized Losses	5,350	-	5,350
Other Income	9,600	-	9,600
Total Support and Revenues	2,128,128	15,000	2,143,128
 EXPENSES			
Program Services:			
Food Shelf	1,675,186	-	1,675,186
Thrift Store and Other	105,036	-	105,036
Total Program Service Expenses	1,780,222	-	1,780,222
Supporting Services:			
General and Administrative	369,616	-	369,616
Fundraising	18,212	-	18,212
Total Expenses	2,168,050	-	2,168,050
 CHANGES IN NET ASSETS	(39,922)	15,000	(24,922)
Net Assets - Beginning of Year	2,583,077	-	2,583,077
 NET ASSETS - END OF YEAR	\$ 2,543,155	\$ 15,000	\$ 2,558,155

See accompanying Notes to Financial Statements.

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:			
General Public	\$ 421,550	\$ -	\$ 421,550
Grant Revenues	186,206	-	186,206
Capital Campaign Contributions	62,855	-	62,855
Special Event Revenue	52,300	-	52,300
In-Kind Contributions:			
Donated Commodities	837,948	-	837,948
Donated Services	5,602	-	5,602
Total Support	1,566,461	-	1,566,461
 REVENUES			
Thrift Store Revenue	38,287	-	38,287
Interest and Dividend Income	295	-	295
Realized and Unrealized Gains	(31,102)	-	(31,102)
Other Income	1,600	-	1,600
Net Assets Released from Restrictions	1,919,500	(1,919,500)	-
Total Support and Revenues	3,495,041	(1,919,500)	1,575,541
 EXPENSES			
Program Services:			
Food Shelf	1,235,602	-	1,235,602
Thrift Store and Other	96,760	-	96,760
Total Program Service Expenses	1,332,362	-	1,332,362
Supporting Services:			
General and Administrative	323,075	-	323,075
Fundraising	25,967	-	25,967
Total Expenses	1,681,404	-	1,681,404
 CHANGES IN NET ASSETS	1,813,637	(1,919,500)	(105,863)
Net Assets - Beginning of Year	769,440	1,919,500	2,688,940
 NET ASSETS - END OF YEAR	\$ 2,583,077	\$ -	\$ 2,583,077

See accompanying Notes to Financial Statements.

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services			Supporting Services		Total
	Food Shelf	Thrift Store and Other	Total Program	General and Administrative	Fundraising	
EXPENSES						
Wages	\$ 64,131	\$ 48,859	\$ 112,990	\$ 239,886	\$ -	\$ 352,876
Payroll Taxes	5,958	4,539	10,497	20,451	-	30,948
Commodities - Food	1,567,033	-	1,567,033	-	-	1,567,033
Commodities - Clothing	-	3,960	3,960	-	-	3,960
Professional Fees	-	-	-	20,700	12,980	33,680
Printing and Postage	-	-	-	8,227	1,522	9,749
Occupancy	-	-	-	28,002	-	28,002
Insurance	3,838	3,837	7,675	7,676	-	15,351
Equipment Repairs and Maintenance	939	2,602	3,541	7,347	-	10,888
Membership Dues and Subscriptions	180	180	360	5,078	-	5,438
Advertising	-	-	-	3,333	-	3,333
Depreciation	28,224	37,384	65,608	9,535	-	75,143
Miscellaneous	4,883	3,675	8,558	19,381	3,710	31,649
Total Expenses	\$ 1,675,186	\$ 105,036	\$ 1,780,222	\$ 369,616	\$ 18,212	\$ 2,168,050

See accompanying Notes to Financial Statements.

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Services			Supporting Services		Total
	Food Shelf	Thrift Store and Other	Total Program	General and Administrative	Fundraising	
EXPENSES						
Wages	\$ 58,158	\$ 47,885	\$ 106,043	\$ 223,913	\$ -	\$ 329,956
Payroll Taxes	7,438	6,125	13,563	23,871	-	37,434
Commodities - Food	1,127,732	-	1,127,732	-	-	1,127,732
Commodities - Clothing	-	3,085	3,085	-	-	3,085
Professional Fees	-	-	-	25,238	14,244	39,482
Printing and Postage	-	-	-	8,638	455	9,093
Occupancy	16,065	16,065	32,130	1,690	-	33,820
Insurance	4,244	4,244	8,488	8,489	-	16,977
Equipment Repairs and Maintenance	3,474	73	3,547	8,125	121	11,793
Membership Dues and Subscriptions	180	180	360	2,638	-	2,998
Advertising	-	-	-	2,554	-	2,554
Depreciation	13,471	17,843	31,314	4,551	-	35,865
Miscellaneous	4,840	1,260	6,100	13,368	11,147	30,615
Total Expenses	<u>\$ 1,235,602</u>	<u>\$ 96,760</u>	<u>\$ 1,332,362</u>	<u>\$ 323,075</u>	<u>\$ 25,967</u>	<u>\$ 1,681,404</u>

See accompanying Notes to Financial Statements.

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (24,922)	\$ (105,863)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	75,143	35,865
Unrealized and Realized Gains on Investments	(5,350)	31,102
Noncash Contribution of Investments	(5,052)	(14,471)
(Increase) Decrease in:		
Grants Receivable	(32,425)	-
Pledges Receivable	41,700	658,807
Inventory	12,423	(30,968)
Prepays	(200)	-
Increase (Decrease) in:		
Accounts Payable	(42,385)	(135,994)
Accrued Liabilities	3,101	(10,498)
Refundable Advance	400	(1,514)
Net Cash Provided by Operating Activities	22,433	426,466
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(15,936)	(1,677,678)
Net Cash Used by Investing Activities	(15,936)	(1,547,344)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Net Payments on Line of Credit	(45,095)	-
Net Cash Provided (Used) by Financing Activities	(45,095)	95,117
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(38,598)	(1,025,761)
Cash and Cash Equivalents - Beginning of Year	249,490	1,275,251
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 210,892	\$ 249,490
 SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Investments Received from Donations	\$ 5,052	\$ 14,471

See accompanying Notes to Financial Statements.

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Pathways of Steele County, Inc. is a nonprofit corporation whose general purpose and function is to operate a food shelf and a thrift store to facilitate the distribution of donated food and clothing as well as other necessities to persons in need of assistance.

Financial Statement Presentation

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 – 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 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 statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Organization carries investments at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Promises to Give

Promises to give are reported at net realizable value. An allowance for uncollectible promises to give is provided based upon management's judgment, considering such factors as prior collection history, type of contributions and relationship with donor, and other relevant factors. The Organization has determined that an allowance is not necessary at December 31, 2023 and 2022.

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory consists of purchased and donated commodities not yet distributed. Purchased and donated commodities are valued based on a weighted average wholesale price per pound determined using the Product Valuation Survey and Agreed Upon Procedures prepared by Feeding America, a national food bank network nonprofit corporation. The approximate average wholesale value of one pound of donated product for the years ended December 31, 2023 and 2022 was \$1.93/lb. and \$1.92/lb., respectively.

Property and Equipment

Property and equipment are stated at cost. Major repairs or improvements costing \$1,500 or more are capitalized. Assets sold, retired, or otherwise disposed of are removed from the asset and accumulated depreciation accounts and any gain or loss thereon is reflected in operations. Depreciation is computed on the straight-line basis at the following rates:

Building	10 to 40 Years
Machinery and Equipment	5 to 10 Years
Vehicles	5 Years

Revenue and Revenue Recognition

Revenues from thrift store sales are recognized at the point in time the sale occurs.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America (GAAP). Contributed goods are recorded at fair value at the date of donation. During the years ended December 31, 2023 and 2022, the Organization received donated commodities of \$1,131,739 and \$837,948, respectively. The donated commodities are included in program expenses in the statements of activities. During the years ended December 31, 2023 and 2022, the Organization received donated services and materials of \$5,759 and \$5,602, respectively, included in supporting service expenses in the statements of activities. The Organization also received investments with fair market values of \$5,052 and \$14,471 during the years ended December 31, 2023 and 2022, respectively.

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value

The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value (Continued)

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 10,412	\$ -	\$ -	\$ 10,412
Total	<u>\$ 10,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,412</u>

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 10	\$ -	\$ -	\$ 10
Total	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>

Advertising

The Organization expenses all advertising costs as they are incurred. Total advertising costs were \$3,333 and \$2,554 for the years ended December 31, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include wages, payroll taxes, occupancy, and depreciation, which are allocated on the basis of estimates made by management.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been reflected in these financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

The Organization has adopted the income tax standard regarding the recognition and measurement of uncertain tax positions and has determined that it has no uncertain tax positions as of December 31, 2023.

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements – ASU 2016-13

The Organization has adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization’s financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 25, 2024, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments as of December 31, 2023 are carried at the quoted market value of the investments.

	Cost	Fair Value
Mutual Funds	\$ 5,066	\$ 10,412
Total	\$ 5,066	\$ 10,412

Investment Return is Summarized as Follows:

Interest and Dividends, Net	\$ 140
Realized and Unrealized Net Gain	5,350
Total	\$ 5,490

Investments as of December 31, 2022 are carried at the quoted market value of the investments.

	Cost	Fair Value
Mutual Funds	\$ 12	\$ 10
Total	\$ 12	\$ 10

Investment Return is Summarized as Follows:

Interest and Dividends, Net	\$ 295
Realized and Unrealized Net Loss	(31,102)
Total	\$ (30,807)

COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 PROMISES TO GIVE

Promises to give are estimated to be collected as follows at December 31:

	2023	2022
Within One Year	\$ 41,418	\$ 48,011
In One to Five Years	7,821	42,928
Total	\$ 49,239	\$ 90,939

At December 31, 2023, three donors accounted for 51% of total promises to give. Three donors accounted for approximately 92% of grant revenues for the year ended December 31, 2023.

At December 31, 2022, two donors accounted for 38% of total promises to give. Three donors accounted for approximately 71% of grant revenues for the year ended December 31, 2022.

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31:

	2023	2022
Machinery and Equipment	\$ 113,286	\$ 113,286
Vehicles	47,430	47,430
Equipment	30,376	14,440
Building	2,129,136	2,129,136
Land	91,847	91,847
Total Cost	2,412,075	2,396,139
Less: Accumulated Depreciation	(153,102)	(77,959)
Net Book Value	\$ 2,258,973	\$ 2,318,180

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	2023	2022
Time Restricted	\$ 15,000	\$ -
Total	\$ 15,000	\$ -

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

	2023	2022
Building Expansion	\$ -	\$ 1,919,500
Total	\$ -	\$ 1,919,500

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 NONCASH CONTRIBUTIONS

The Organization received donated commodities including food and supplies to be distributed from the food shelf. The donated commodities are measured at fair value and totaled \$1,131,739 and \$837,948 for the years ended December 31, 2023 and 2022, respectively. Fair value of commodities received is determined using the annual Feeding America product valuation report.

The Organization received donated supplies and services including printing and copying. The donated services are measured at fair value and totaled \$5,759 and \$5,602 for the years ended December 31, 2023 and 2022, respectively. Fair value of supplies and services is determined using the cost of purchasing similar supplies and services from a vendor.

All donated commodities and services received by the Organization for the years ended December 31, 2023 and 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

NOTE 7 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program-related activities as well as the conduct of services undertaken to support those programs to be general expenditures.

The following financial assets could be readily made available within one year of the statement of financial position date to meet general expenditures as of December 31:

	2023	2022
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 210,892	\$ 249,490
Investments	10,412	10
Grants Receivable	32,425	-
Promises to Give, Net	49,239	90,939
Total Financial Assets at Year-End	302,968	340,439
Less: Amounts Not Available to Meet General Expenditures Within One Year:		
Unspent Funds Restricted by Donors	(15,000)	-
Financial Assets Available to Meet General Expenditures Within One Year	\$ 287,968	\$ 340,439

**COMMUNITY PATHWAYS OF STEELE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023 AND 2022**

NOTE 8 LINE OF CREDIT

The Organization has a \$300,000 line of credit with a bank, secured by pledges receivable. Borrowings under the line bear interest of 4.95%. Accrued interest and principal are due at maturity on November 1, 2024. The outstanding balance as of December 31, 2023 totaled \$50,022.

NOTE 9 LEASES

The Community Pathways of Steele County Building, which is owned by the Organization is approximately 7% occupied by various nonprofit agencies and 93% by the Organization. The agency leases are generally for a three-year period and expire in September 2025.

Future base rental income from the leases are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2024	\$ 9,600
2025	7,200
Total	\$ 16,800



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