

Another Way, Inc.
Audited Financial Statements
For the Year Ended
June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Another Way, Inc.

We have audited the accompanying financial statements of Another Way, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position Another Way, Inc. as of June 30, 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.

William T. Grimm and Associates, P.C.

Uniontown, Pennsylvania

September 17, 2024

**ANOTHER WAY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS	June 30, 2024
Cash and cash equivalents	\$892,341.08
Accounts receivable – trade	128,662.40
Prepaid expenses	<u>68,712.26</u>
TOTAL CURRENT ASSETS	1,089,715.74

PROPERTY, PLANT AND EQUIPMENT

Land	34,998.08
Building	585,892.17
Building improvements	424,209.96
Leasehold improvements	61,481.49
Land improvements	188,283.48
Transportation equipment	108,522.89
Equipment and furniture	<u>282,589.96</u>
	1,685,978.03
Less: Accumulated depreciation	<u>(820,574.57)</u>
NET PROPERTY, PLANT AND EQUIPMENT (Note B)	<u>865,403.46</u>

TOTAL ASSETS \$1,955,119.20

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$71,357.86
Credit card payable	7,760.76
Mercedes Financial (current portion)	<u>7,385.16</u>
TOTAL CURRENT LIABILITIES	86,503.78

LONG-TERM LIABILITIES

Mercedes Financial	34,095.79
Less: Current portion	<u>(7,385.16)</u>
TOTAL LONG-TERM LIABILITIES	26,710.63

NET ASSETS

Net assets without donor restrictions	<u>1,841,904.79</u>
TOTAL NET ASSETS	<u>1,841,904.79</u>

TOTAL LIABILITIES AND NET ASSETS \$1,955,119.20

**ANOTHER WAY, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2024**

REVENUE AND SUPPORT	
Program service fees	\$1,284,650.70
Rent income	2,000.00
Gain on trade of vehicle (Note C)	<u>7,500.00</u>
TOTAL REVENUE AND SUPPORT	1,294,150.70
EXPENSES	
Program services – Halfway house - Men	749,852.70
Management and general	<u>217,019.83</u>
TOTAL EXPENSES	<u>966,872.53</u>
CHANGE IN NET ASSETS	327,278.17
NET ASSETS – BEGINNING OF YEAR	<u>1,514,626.62</u>
NET ASSETS – END OF YEAR	<u>\$1,841,904.79</u>

**ANOTHER WAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	PROGRAM SERVICES - HALF-WAY HOUSE	MANAGEMENT AND GENERAL	TOTAL
SALARIES AND RELATED EXPENSES			
Salaries and Wages	\$265,385.68	\$132,692.84	\$398,078.52
Employee benefits	60,362.65	30,181.32	90,543.97
Payroll service	4,472.24	2,408.15	6,880.39
Payroll taxes	30,239.96	15,119.98	45,359.94
Staff development	8,789.80	0.00	8,789.80
Staff training	<u>618.99</u>	<u>0.00</u>	<u>618.99</u>
TOTAL SALARIES AND RELATED EXPENSES	369,869.32	180,402.29	550,271.61
EXPENSES BEFORE DEPRECIATION			
Consultant physician	23,793.88	0.00	23,793.88
Consultant professional service	14,170.00	0.00	14,170.00
Equipment rental - laundry	3,758.19	0.00	3,758.19
Equipment rental – office	782.82	782.81	1,565.63
Food for clients	50,412.06	0.00	50,412.06
Insurance	41,511.24	20,755.62	62,266.86
Interest expense	2,457.64	273.07	2,730.71
Medical supplies	2,031.20	0.00	2,031.20
Maintenance and repairs	35,522.73	3,513.24	39,035.97
Office supplies	18,670.72	0.00	18,670.72
Postage and printing	582.69	0.00	582.69
Professional fees	749.00	749.00	1,498.00
Recreation – Client	1,301.84	0.00	1,301.84
Security	14,859.53	0.00	14,859.53
Supplies - rehabilitation	8,403.59	0.00	8,403.59
Supplies – housekeeping	18,541.72	0.00	18,541.72
Taxes	10,370.74	211.64	10,582.38
Transportation – client	16,016.98	0.00	16,016.98
Utilities	<u>67,107.09</u>	<u>4,283.43</u>	<u>71,390.52</u>
TOTAL EXPENSES BEFORE DEPRECIATION	331,043.66	30,568.81	361,612.47
Depreciation	<u>48,939.72</u>	<u>6,048.73</u>	<u>54,988.45</u>
TOTAL EXPENSES	<u>\$749,852.70</u>	<u>\$217,019.83</u>	<u>\$966,872.53</u>

**ANOTHER WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$327,278.17
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	54,988.45
Gain on trade of vehicle	(7,500.00)
Net change in accounts receivable	(85,193.90)
Net change in prepaid expenses	(13,542.27)
Net change in accounts payable and credit card payable	14,837.89
Net change in accrued expenses	<u>(378.66)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	290,489.68
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(91,212.02)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(91,212.02)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds of loan to finance vehicle purchase	41,053.57
Payments of principal on loans and mortgage	<u>(6,957.78)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>34,095.79</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	233,373.45
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>658,967.63</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$892,341.08</u>
Interest paid during the year	<u>\$2,730.71</u>

ANOTHER WAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A SIGNIFICANT ACCOUNTING POLICIES

Organization

Another Way, Inc. is a not-for-profit organization providing drug and alcohol halfway house services to chemically dependent individuals. It was incorporated on July 1, 1994, under the laws of the Commonwealth of Pennsylvania.

Background

Another Way, Inc. began operations on July 1, 2000, with a location in Uniontown, Pennsylvania, providing temporary, safe, structured living environments as well as treatment and other needed support services to women. The services for women at this location have been discontinued as of May 2012. On July 1, 2008, the Organization began providing services to men at its Farmington, Pennsylvania, location.

Basis of Accounting

The financial statements of Another Way, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Funding Sources

Primary funding for services is provided on a fee-for-service basis from county drug and alcohol agencies and managed care organizations administering medical assistance funds.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB ASU 2016-14, *Not-for-Profit Entities*. Under ASU 2061-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net assets with donor restrictions and net assets without donor restrictions.

Net Assets

Net asset is a term used to represent the net worth of an Organization, or the value of its assets in excess of its liabilities. Net assets without donor restrictions are that portion of an Organization's net assets the use of which is not restricted by donors or for which restrictions have expired. Net assets with donor restrictions are those net assets subject to a donor-imposed restriction that permits the donee Organization to use or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the Organization.

Cash Equivalents

Cash equivalents are defined as short-term highly liquid investments generally maturing in three months or less as of the statements of financial position date. Another Way, Inc. has no investments in cash equivalents as of June 30, 2024.

Accounts Receivable

Included in the balance of accounts receivable on the Statement of Financial Position are amounts due to Another Way, Inc. for services provided by year end. Any differences between billings for services and payments by third party payers are written off at the time the claims are processed.

Revenue Recognition

Revenue from services provided for clients is recognized when those fees have been earned.

Concentration of Risk

Another Way, Inc. primarily contracts with county drug and alcohol agencies and managed care organizations administering medical assistance funds. One particular managed care organization accounted for approximately 95% of Another Way, Inc.'s program revenue in the year ended June 30, 2024. In addition, its employees, clients and vendors are predominantly residents of the Fayette County area. Another Way, Inc., therefore, is subject to impact from the economic and demographic influences impacting these areas.

Property and Equipment

All property and equipment is recorded at cost. Assets having a purchase price, or fair market value if received by donation, of \$1,000.00 or more and an estimated useful life of more than one year are capitalized and depreciated, using straight-line method, over the estimated useful lives of the assets, as are all expenditures over \$1,000.00 that materially increase the estimated useful life of an existing asset.

Asset purchases having a purchase price or fair market value if received by donation, less than \$500.00, are treated as an expense and are not capitalized and, therefore, are also not depreciated. Maintenance and repairs are likewise charged to expense as incurred.

Inventories

Inventories of supplies are nominal and accounting for such is not maintained by the Organization.

Contributed Goods and Services

From time to time, Another Way, Inc. receives donated items of a non-cash nature. Non-cash items of significance are included as In-Kind Donations on the Statement of Activities and Changes in Net Assets. Nothing requiring recognition in the accounting records of Another Way, Inc. was received during the year ended June 30, 2024.

Income Taxes

Another Way, Inc. is a nonprofit private operating foundation exempt from federal income taxes under Section 507(b)(1) of the Internal Revenue Code. Its nonprofit status also exempts it from income taxation in the Commonwealth of Pennsylvania. It files all required reports currently and no accounting for income taxes is made or required. For the year ended June 30, 2021, Another Way, Inc. is required to file form 990. For tax years beginning July 1, 2010, Another Way, Inc. will be in a five-year advance ruling period for treatment as a public charity under section 509(a)(2) of the Internal Revenue Code. The private foundation status has expired as of June 17, 2015. Application for termination of this status has been made. The organization generally remains subject to examination of its U.S. federal income tax returns for 2022 and subsequent years.

Functional Allocation of Expenses

Certain costs of programs and activities have been allocated among the programs and supporting services benefitted and are summarized on a functional basis in the Statement of Functional Expenses.

Management's Estimates

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

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 17, 2024, the date the financial statements were available to be issued.

NOTE B PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at June 30, 2024:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$34,998.08		\$34,998.08
Land Improvements	188,283.48	\$110,997.17	77,286.31
Buildings	585,892.17	180,650.04	405,242.13
Building Improvements	424,209.96	168,802.62	255,407.34
Leasehold Improvements	61,481.49	46,235.14	15,246.35
Office Furniture and Equipment	282,589.96	273,683.64	8,906.32
Transportation Equipment	<u>108,522.89</u>	<u>40,205.96</u>	<u>68,316.93</u>
Totals	<u>\$1,685,978.03</u>	<u>\$820,574.57</u>	<u>\$865,403.46</u>

A portion of the additions during the 2007/2008 year were purchased with monies from a HealthChoices grant through Fayette County. Another Way, Inc. is required to receive County approval for the sale of the assets purchased with these funds and return a proportionate share to the County.

NOTE C MERCEDES PAYABLE

In November 2023, Another Way, Inc. purchased a 2023 Mercedes Sprinter for \$65,98.47. A trade allowance of \$7,500 was given for the 2016 Ford Transit van. A downpayment of \$30,389.90 was paid. The remaining balance of \$35,528.57 was financed by Mercedes Finance. An extended five-year warranty was also purchased and included in the financed amount. The financing was for a term of five years at 8.95% interest. The following is the five-year amortization of the loan and the amortization of the warranty purchase.

The amortization of the loan is as follows:

June 30, 2025	\$7,385.16
2026	8,073.60
2027	8,826.23
2028	9,649.02
2029	161.78

The amortization of the warranty is as follows:

June 30, 2025	\$1,105.00
2026	1,105.00
2027	1,105.00
2028	1,105.00
2029	578.84

NOTE D RETIREMENT PLAN

Full time employees of Another Way, Inc. who meet eligibility requirements can participate in the Organization's 403 (b) plan. The plan is with American Funds which is the custodian of the plan assets. There is no employer contribution or match. No retirement expense is reflected on the Statement of Activities.