



Annual Management Report

Fiscal Year 2016

July 1, 2015 to June 30, 2016

Issue Date: October 31, 2016

Table of Contents

1. **Mission Statement**
2. **President's Message**
3. **Overview of Pathways Programs**
 - a. Stevenson Place Assisted Living Facility
 - b. Russell Road Assisted Living Facility
 - c. In-Home Support Programs (Calamo and Terry)

Community Housing

Semi- Independent and McKinney Programs

- c. Cedar Cove
- d. Decade
- e. Elan
- f. Huntington
- g. Joust
- h. Links
- i. Mary Baldwin
- j. Midship
- k. Mockingbird
- l. Newbridge
- m. Pioneer
- n. Scandia
- o. Sheldon
- p. Sweetmint
- q. Wainwright

Supported Living

- r. Seven Oaks
- s. Scattered Site Supported Living
- t. Arlington Supported Living Program
- u. SHP 2007
- v. SHP 2009
- w. SHP 2011
- x. SHP 2014

Consumer-Directed Program

- x. Dave's House II (at Kincaid)
- y. West Ox I & II

Supported Housing Options Program

- z. SHOP
- 4. Agency Demographics**
- 5. Pathways' FY 2016 Financial Summary**
- 6. Trends in Staff Turnover**
- 7. Quality Assurance**
 - a. Annual Policy and Procedure Review
 - b. Annual Incident Report Review
 - c. Annual Medication Error Review
- 8. Outcomes Management Review**
- 9. Accessibility Plan Review**
- 10. Strategic Plan Review**
- 11. Information Technology Plan Update**
- 12. 2016 Satisfaction Surveys Review**
- 13. Employee Recognition Summary**
- 14. Philanthropy and Volunteering Review**
- 15. Corporate Compliance Review**

Pathway Homes Mission Statement

Pathway Homes embodies the spirit of recovery: embracing an attitude of hope, self-determination and partnering with each individual on their personal journey toward achieving self-fulfillment and realizing their dreams.

We fulfill our mission by making available to individuals with mental illness and co-occurring disabilities a variety of non-time-limited housing and services to enable them to realize their individual potential.

Pathway Homes Vision Statement

Our vision is to create a future in which all individuals with mental illness and co-occurring disabilities are able to lead meaningful, self-directed lives in a home of their choice with the supports and services they need.

2. President's Message

“It is not by muscle, or speed, or physical dexterity that great things are achieved, but by reflection, force of character and judgment” Marcus Tullius Cicero

What's in a reflection? Reflection is said to show the effect, character, or existence of something else. The doors we opened this past year throughout our community to provide non-time limited housing and supports to more than 500 individuals is a reflection of Pathway Homes' mission in action. It is also an illustration of how we partner with each individual on his or her road to recovery, growth and resilience regardless of each person's pace.

Pathway Homes' mission remains clear: to provide a broad base of the highest quality homes and individualized services for all adults with serious mental illnesses and co-occurring disabilities in the Northern Virginia region, and in Central Florida. As such we continue to expand these highly flexible and tailored services through community collaboration, charitable support, an expanded role of residents and their families, and a network of influential board members and friends.

In the spring of last year our Continuum of Care (CoC) received \$1.2 million in grant funding from the Department of Housing and Urban Development (HUD) to provide permanent supportive housing to chronically homeless individuals in Fairfax County. This was the largest HUD funding ever awarded to any CoC in Virginia and it was used to move 55 men and women from emergency shelters and the streets to their very own homes. This spring Pathways received a grant from the Virginia Department of Behavioral and Developmental Health Services (DBHDS) in the amount of \$1,407,576, awarded over two years, to house an additional 31 individuals in permanent supportive housing in partnership with Fairfax, Prince William, and Alexandria City Community Services Boards. As a first-time nonprofit grant recipient in our region, we were able to make a significant investment in stabilizing the lives of unstably housed, high frequency users of emergency rooms and hospitals, and create diversion opportunities for many individuals with severe mental illnesses in our community who would otherwise end up in jails.

Also this past year, our education and advocacy efforts were reflected in a visit from Virginia State Senator Creigh Deeds and the commission tasked with studying the provision and delivery of mental health services in the Commonwealth. The highly anticipated visit resulted in our ability to touch thousands and open even more doors. The visit, highlighting the consumer voice and Pathways' housing first, harm reduction and recovery-integrated model, was featured on the NBC 4 *Changing Minds* documentary and paved the way for Pathways to participate in the NBC 4 Health and Fitness Exposition a few months later.

As we look back on the past year, we recognize that reflection is important but future pathways must be navigated to sustain and address the significant unmet need of our region. We therefore strive to maintain our role as a best-practice, innovative and collaborative nonprofit partner in Virginia and beyond. The ability to continue development of permanent supportive housing will be an important part of the efforts to achieve that goal. Pathway Homes will continue to play a critical role, not only in these endeavors but, most importantly, in helping individuals with serious mental illnesses and other co-occurring disorders to live to their full potential.

We are grateful to our dedicated board, staff, and volunteers who provide countless hours to those we serve. Thank you for continuing to support and uplift the lives of the most vulnerable individuals in our community. We thank those we serve, especially those who share their personal stories to give meaning to what we do. We could not have achieved this success without you, and we know that the strength and longevity of our agency is because of you! We welcome our new Giving Society members who have made multi-year pledges to support Pathways, now and in the future, and we thank all who are committed to supporting our mission. We look forward to working with you all, in opening doors, changing lives and enhancing our community!

Sylisa Lambert-Woodard, EdD, LCSW, LSATP, MAC
President and Chief Executive Officer

3. Overview of Pathways Programs and Housing

Pathway Homes has a variety of programs which span the continuum of care, meeting individual needs in environments that range from highly supported to highly independent. All of Pathways' programs are licensed by the Virginia Department of Behavioral Health and Developmental Services. Pathways Assisted Living Facilities are also licensed by the Department of Social Services.

Pathways' Assisted Living Facility, In-Home Supports, Semi Independent, and Supported Living Programs are additionally accredited through the Commission on Accreditation of Rehabilitation Facilities (CARF). The programs include:

Assisted Living Facilities

Stevenson Place, which Pathway Homes manages under a contract with the Fairfax-Falls Church Community Services Board (CSB), is home to 37 men and women. This state-of-the-art facility provides 24-hour supportive mental health care as well as comprehensive services for medical, nursing and personal care needs.

In 2014 Prince William County Community Services Board (CSB) contracted with Pathway Homes to open an Assisted Living program serving 8 individuals. The program, licensed for Residential Living level of care, is funded through the Prince William County CSB Health Planning Region 2 Partnership Planning Region and serves individuals from Prince William, Fairfax, Arlington, Loudoun counties and the city of Alexandria. This program provides 24-hour supportive mental health care, personal care services, and skill development training.

In-Home Supports Intensive Programs

The Calamo and Terry programs provide services to eight men and eight women in two single family homes located in Springfield. These programs are highly intensive and provide on-site clinical support seven days per week; averaging over 12 hours per day. Individuals at these programs are provided person-centered, mental health skill building services that focus on training and skills development in activities of daily living, health management and community integration.

In-Home Supports Semi –Independent Programs

Pathway Homes owns and operates 25 semi-independent houses and condos serving 71 individuals. Six of these condos were added this fiscal year as part of the agency's strategic expansion of HUD-funded McKinney project beds. Targeted mental health skill building services are provided to support individuals to fully integrate into the community.

Forty-eight of the semi-independent residents are served through the McKinney program. Eligibility criteria for McKinney-funded houses include a requirement that persons entering the program are coming directly from chronic homelessness as defined by HUD.

Supported Living Program

Supported living level of services is on the less intensive end of Pathway Homes' service spectrum. Individuals receive targeted skill building services on an average of 1-2 times per week. This program has the ability to serve individuals who need housing and services as well as persons who are already independently housed and are seeking services only. A significant portion of the housing offered through this program has a chronic homelessness admission criterion. The capacity of this program was expanded by 55 individuals this year. The expansion targeted individuals who, in addition to diagnosed mental health and/or substance use disorders, have been chronically homeless. These 55 individuals are receiving both housing and skill building services from Pathways.

Consumer-Directed Housing

In June 2011, Pathway Homes opened the first ever consumer directed program in Northern Virginia. The single family home located in Chantilly, is home to 6 consumers.

In 2012, Pathways opened its second and third consumer-directed residential programs. The two single family homes are located on the same property in Herndon and Pathways currently serves nine men in these houses.

Supported Housing (SHOP)

The Supported Housing Option Program (SHOP) is similar to the Supported Living program in level of service provision. What makes this program unique is that it is a partnership with the Fairfax-Falls Church CSB. Clinical teams are a combination of Pathway Homes and CSB staff. The SHOP team was the first at Pathways to employ individuals with lived experiences of mental health services as mental health counselors (i.e. peer counselors/recovery coaches) providing services to other consumers. Almost all of the housing offered through this program has a chronic homelessness admission criterion.

Other

In addition to the housing and services provided in the settings previously mentioned, Pathways provided housing only to 42 individuals in units leased to the Fairfax-Falls Church CSB, and served another 45 individuals through Pathways staff deployed to the Fairfax-Falls Church CSB. An additional 11 of projected 31 individuals were housed in Pathways-leased units through funding received from the DBHDS, and in partnership with local CSBs providing complementary support services.

3. Agency Demographics

Population Served

July 1, 2015 to June 30, 2016

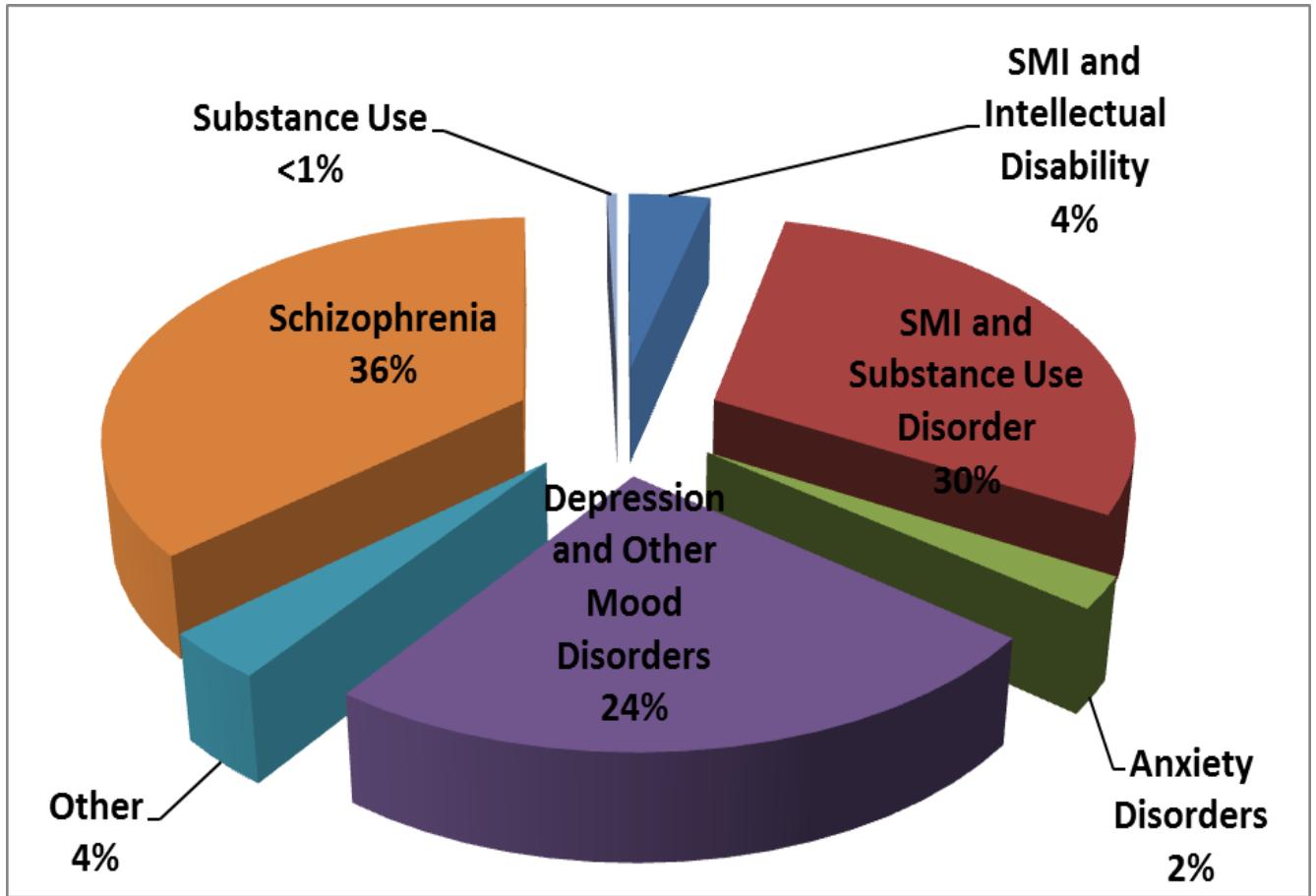
In FY 2016, Pathways served 562 unduplicated individuals, 95 of them receiving housing and/or services through Pathways for the first time! Forty-five of these individuals were provided housing only with direct services provided by Fairfax CSB, and in one home, by PRS, Inc. Also receiving housing only from Pathways were 11 new individuals through funding provided by DBHDS and with services provided by Fairfax, Prince William and City of Alexandria CSBs. An additional 45 were provided services by Pathways staff deployed in Fairfax CSB programs. It is notable that 13 of the individuals Pathways served this fiscal year received services in Florida through a partnership with the Ocala County Health Services Network.

With the award of the bonus project grant from HUD during FY16, Pathways is projected to provide housing and services to another 22 chronically homeless adults in the next fiscal year, and a total of 35 through the DBHDS-funded project. As with the bonus project awarded in FY15, the HUD-funded individuals will be assessed and prioritized using the Vulnerability Index Service Prioritization Data Assistance Tool (VI-SPDAT) through the Fairfax County Continuum of Care Coordinated Intake and Referral process.

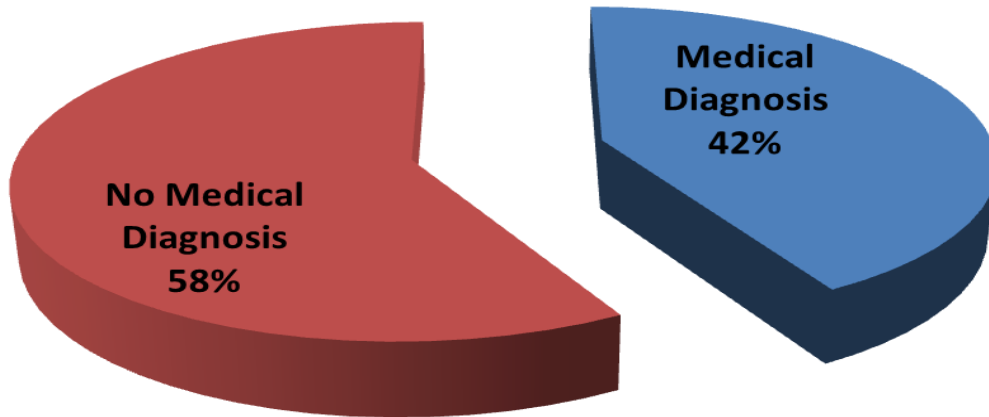
Of the 562 unduplicated individuals Pathways served during the year, 451 received housing and services directly from Pathways. The follow demographics illustrate the make-up of the 451 individuals:

AGE RANGE	MALE	FEMALE
18-25	<1%	<1%
26-35	5%	7%
36-50	10%	20%
51-59	15%	15%
60-65	8%	10%
66+	5%	5%

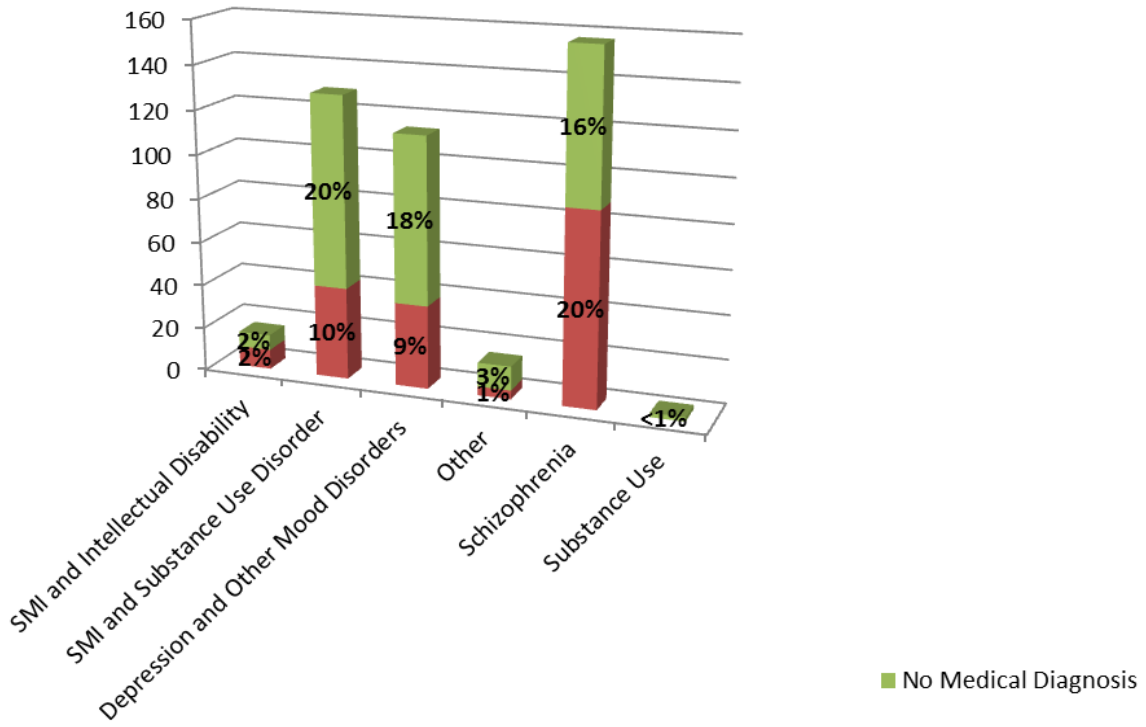
PRIMARY DIAGNOSES



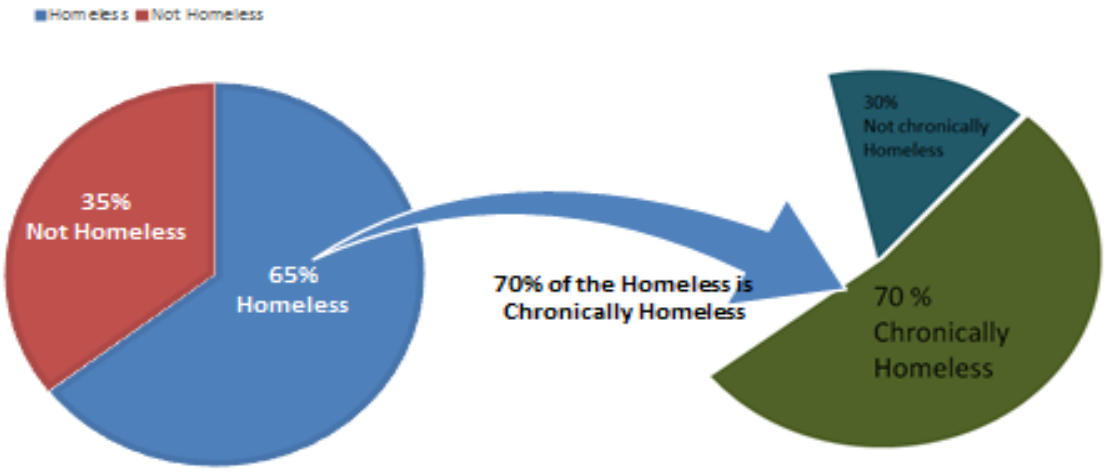
Individuals Served with Medical Diagnosis



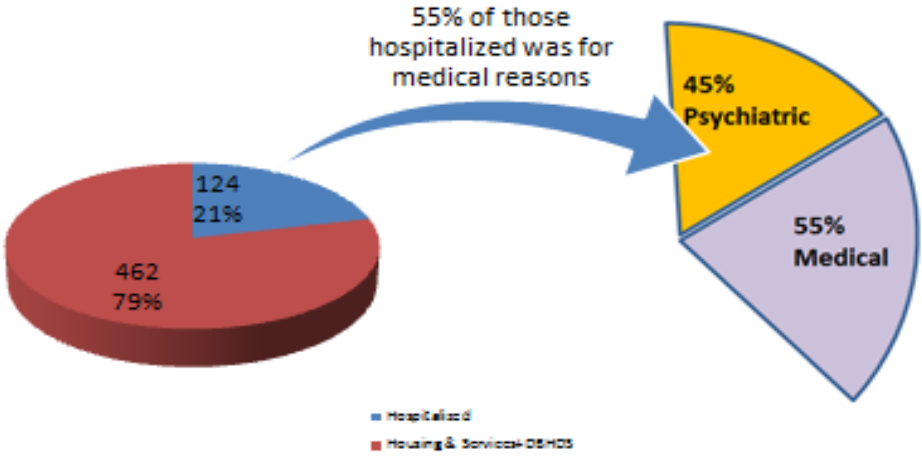
Co-Occurring MH & Medical Diagnoses

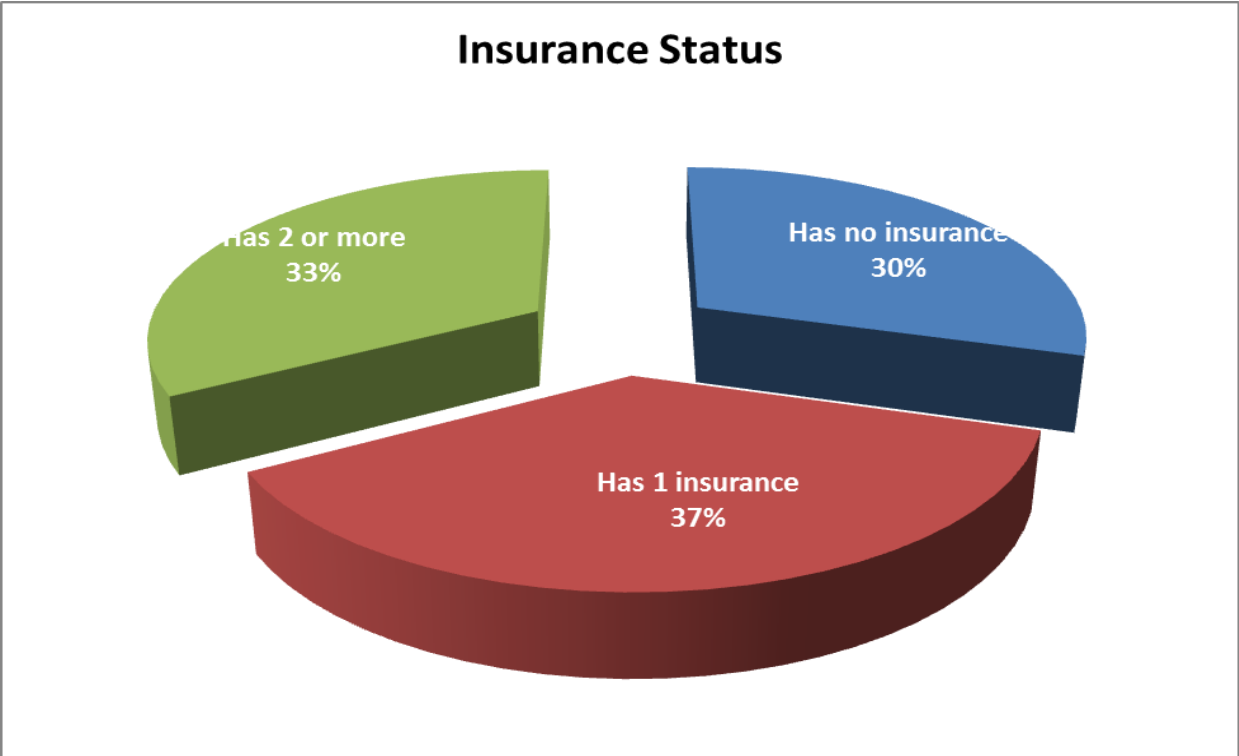
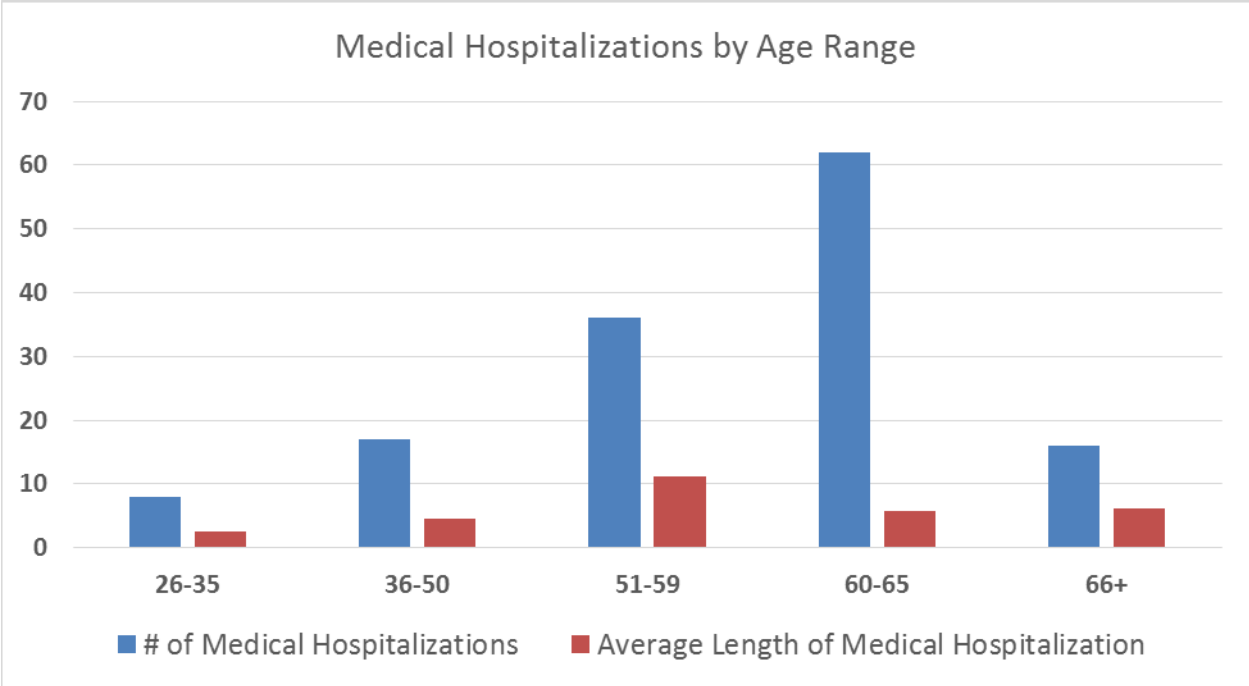


Homeless/Chronically Homeless



Individuals Hospitalized





5. Pathways' FY 2016 Financial Summary

CohnReznick a national Certified Public Accounting firm, performed audits as of June 30, 2016, for Pathway Homes, Inc. A summary of the audited Financial Statement is presented here.

Combined Statement of Activities

SUPPORT AND REVENUE

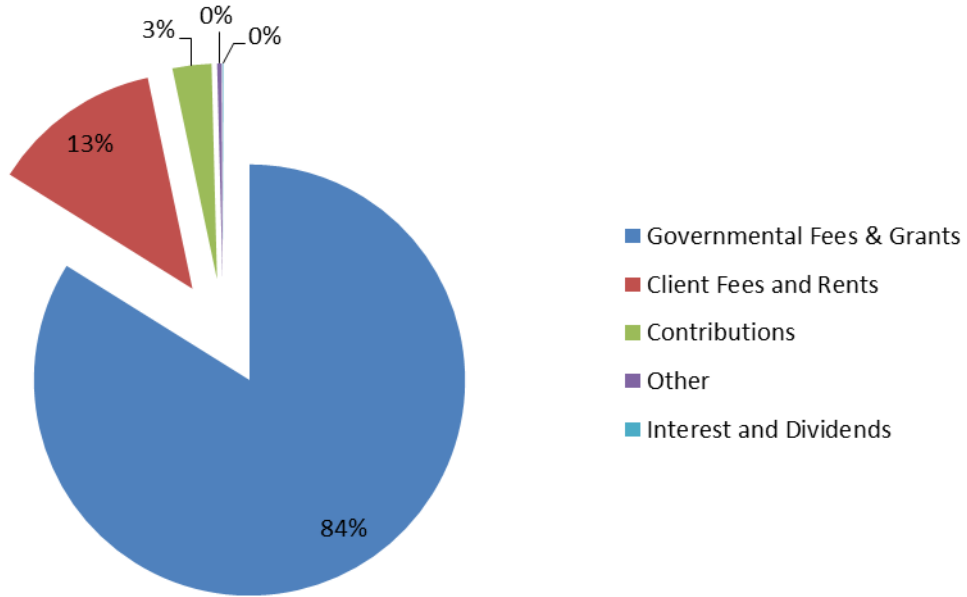
Government Grants and Contracts	\$ 9,484,126
Fees and Rents	1,445,762
Contributions	330,498
Sublease and Other Income	38,919
Interest and Dividends	<u>7,064</u>
Total Support and Revenue	<u>\$11,306,369</u>

EXPENSES

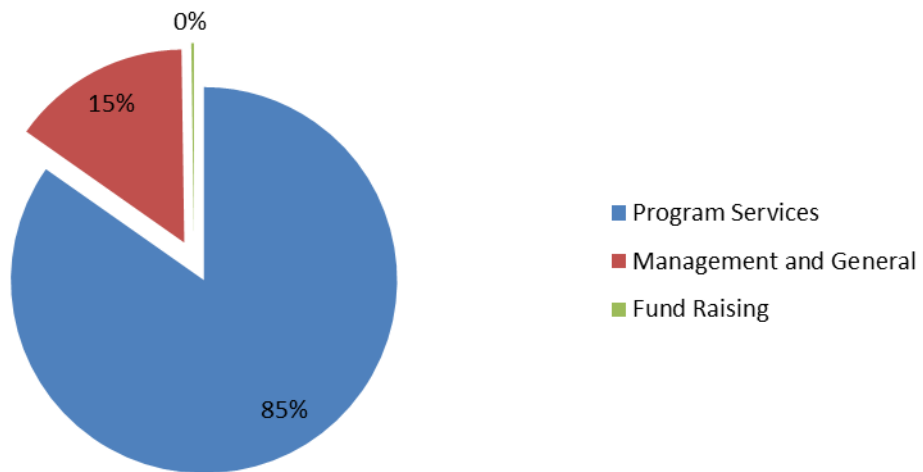
Program Services:	
24 Hour Residential Facilities	\$ 2,300,207
Supported Residential Facilities	<u>6,975,464</u>
Total Program Services	\$ 9,275,671
Management and General	\$ 1,643,842
Fund-raising and Development	<u>25,231</u>
Total Expenses	<u>\$10,944,744</u>
Change in net assets	\$ 593,794
Net Assets, Beginning of Year	<u>8,442,747</u>
Net Assets, End of Year	<u>\$ 9,036,541</u>

A summary from the Audited Financial Statement for fiscal year ending June 30, 2016 as prepared by CohnReznick.

2016 REVENUE



2016 EXPENSES



6. Trends in Staff Turnover

In FY 2016, there were a total of 44 new hires (an increase of 8 from FY 2015 and 18 from FY 2014). The following new positions were also added or created from a reclassification of an existing position:

Certified Nursing Assistant (1)	Mental Health Counselor I (1)	Overnight Night Counselor (1)
Director, Human Resources (1)	Mental Health Counselor II (5)	Project Accountant (1)
Housing Locator (1)	Mental Health Counselor III (3)	Tenant Certification Clerk (1)
Housing Resource Manager (1)	Mental Health Counselor I - ONC (1)	

The following displays onboarding and turnover by position:

Category	New Hires	Terminations*	Resignations
Staff	44	34	25
Clinical	29	5	20
Administration	10	0	6
Management	8	0	2
Accounting	3	0	2
ALFs	10	5	5
Communications	0	0	0
Deployed - CSB	8	2	8
Deployed - SHOP	5	1	5
Front Desk	0	0	0
IT	0	0	0
Mid County	2	0	1
North County	1	0	0
South County	1	0	1
Property Management	1	1	1

**In addition to the voluntary resignations, the agency also had 8 involuntary terminations and 1 retirement.*

Employee tenure ranged from 4 weeks to 25 years:

Tenure	FY 2015	FY 2016
Less than 1 year	10	20
1 – 2.99 years	9	7
3 – 5.99 years	6	1
6 – 9.99 years	4	2
10 – 14.99 years	1	2
More than 15 years	2	2

Exit Interviews

Nine (26%) of the 34 employees who left Pathway Homes during FY 2016 completed an exit interview. Six individuals who completed an exit interview were clinical staff. The remaining three individuals were in the Controller, Tenant Certification Clerk, and Project Accountant positions. Their feedback is summarized in the following categories based on questions on the exit interview form:

Would you refer someone to work at Pathway Homes?

- Pathway Homes is a fun and supportive culture. I love the people
- A great place to go and move up on merit
- A great Agency in learning great clinical skills
- Pathway is a premier organization to work for
- The experience I got here was unparalleled
- A great place to enter the field without feeling the pressure
- A great place for learning non-profit management and helping others

Why are you leaving Pathway Homes? (*In ranking order*)

- Pay
- Professional Growth
- To attend school full-time
- Relocation
- Long Commute
- Burnout/Schedule

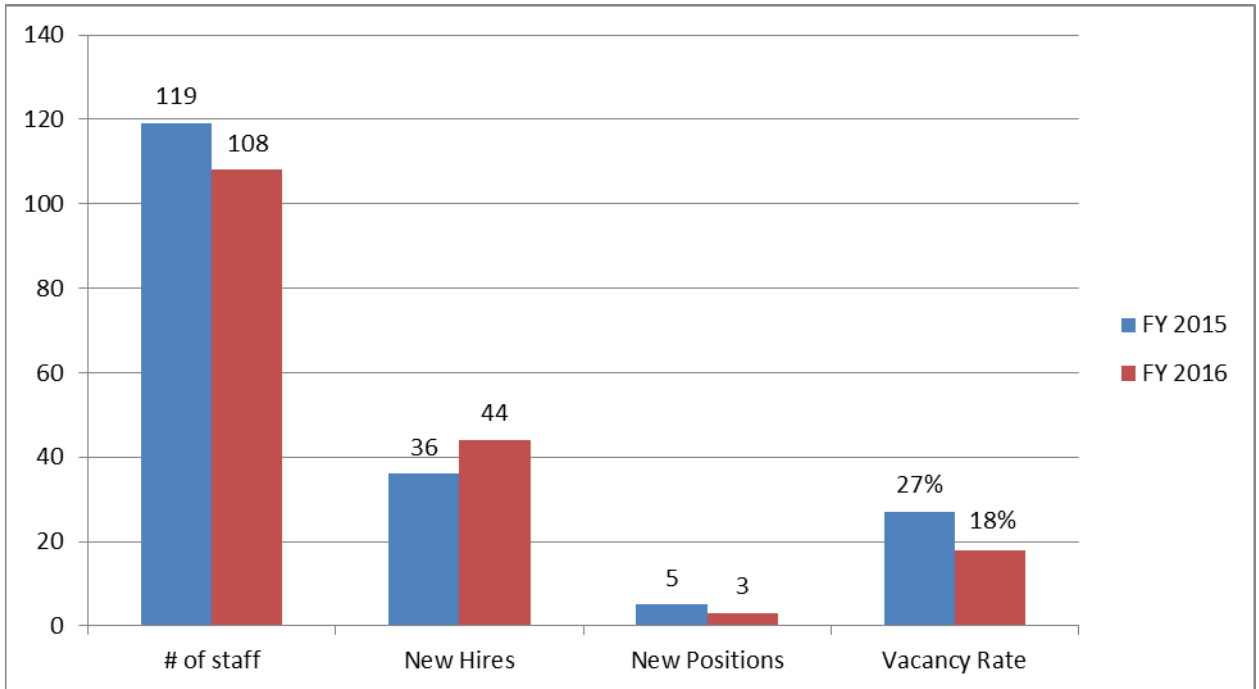
What do you like most about working for Pathway?

- Leadership is supportive and passionate about the work they do
- Company Events
- Feel Appreciated
- Learning Environment
- Open Door Policy
- Very structured Agency and well organized

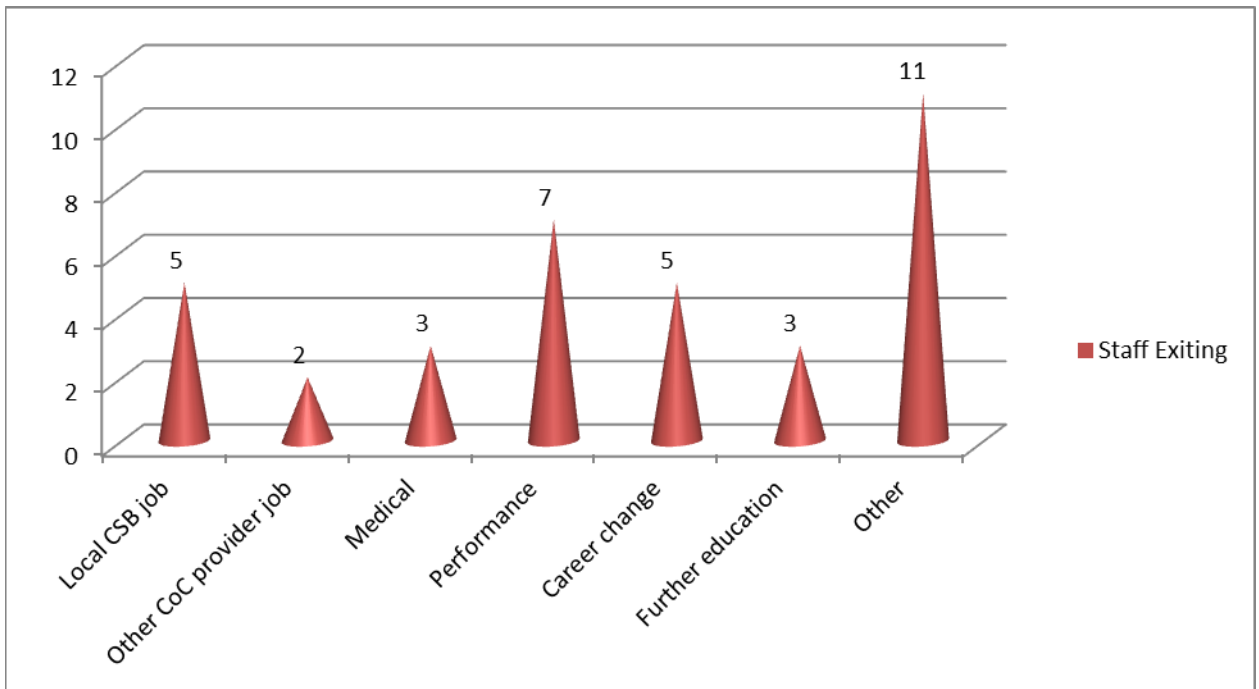
What do you like least about working for Pathway?

- Pay
- Flexible work schedules
- Progressive discipline approach
- No communication regarding company events and initiatives
- Lack of communication

FY2016 HIRING TRENDS



FY2016 REASONS FOR LEAVING



7. Quality Assurance Update

Annual Policy and Procedure Review

The agency's Leadership Team reviewed the agency's Policies and Procedures on several occasions during the year. Program procedures, operating manuals, and rules that govern the practice of Pathway Homes programs were examined and compared for compliance and best practice with DBHDS, DMAS, CARF, DSS, HUD, and auditing standards.

Leadership Team continued to review and discuss various agency policies and procedures, and the Board approved the following during FY 2016: *HUD Projects, Jury and Witness Duty, Volunteers, Volunteer Program Procedures, Subpoenas, Search Warrants and Investigations.*

HUD Projects: This policy was revised with a strategic goal to have one policy for all HUD-related regulatory requirements. The original policy (Shelter Plus Care Grants) addressed only the HUD requirement related to Shelter Plus Care grant funds. Recently, HUD revised its regulations relating to the educational needs of individuals younger than 25 years old and we are now required to have a policy addressing this. We added the new policy addressing this requirement resulting in one consolidated policy now called HUD Projects.

Jury and Witness Duty: The key change in this policy was to provide clarity re: the difference in use of leave when employees are summoned for witness duty related to Pathways and non-Pathways business. The new language in the policy allows the employee to use accrued leave, or leave without pay for instances where they serve as witness in non-Pathways business versus the use of regular work hours when serving as witness for Pathways business. The other change was to provide more clarity re: requesting postponement or release from jury duty. No change was made to the provisions relating to Jury Duty.

Volunteers: This policy was extremely long and cumbersome and did not reflect best practices with regard to content – i.e. most of the information in the old policy was better captured in a Volunteer Handbook. The changes aligned with consultation provided by CARF surveyors at last visit and are more in line with best practice in the field. The Volunteer Handbook was updated to reflect the content that is now captured under the Volunteer Program Procedures.

Subpoenas, Search Warrants, and Investigations: This is a brand new policy and is an accreditation requirement.

All new and revised policies were communicated to staff upon Board approval and disseminated via agency-wide email. They were also reviewed in individual team meetings and with individual staff as needed. Additionally, they were updated on the agency's website, which has become the central depository of all policies and procedures.

Annual Incident Report Review

There were 67 identified adverse incidents throughout the agency during FY 2016; double the number from the last reporting period. **There were 2 sentinel events**, one of which we have been required to provide monthly updates to CARF pending a criminal trial and disposition. The adverse incidents occurred in the following programs:

Stevenson Place ALF – 33 (49%)

Russell Rd ALF – 15 (23%)

Semi-Independent – 4 (6%)

Supported Living – 8 (12%)

In-Home, Intensive – 7 (10%)

Trends

Twenty five (20%) of the agency's adverse incidents were related to sudden medical illness of consumers. 57% of these incidents occurred at Stevenson Place ALF, and of those, 93% involved 4 residents who present with multiple, chronic health conditions.

Fourteen (18%) of the adverse incidents reported, involved psychiatric instability of individuals served. Of these, 100% occurred at the ALF level of care with 12 incidents at Russell Rd and 2 at Stevenson Place. Of the 12 at Russell Rd, 8 incidences involved a single individual who entered the program from long-term hospitalization.

Eight (12%) of the 67 total adverse incidents involved physical or verbal aggression, up from the past three years of 6%, 10% and 8% respectively. Five of these occurred at Stevenson Place, 2 in Semi-Independent and one in supported living. Three incidences involved resident on resident aggression. One incident was a sentinel event where a resident in supported living was arrested for alleged homicide. Five of the eight incidents resulted in 911 being called.

Four (6%) of the total number of adverse incidents involved workplace injury. In each incident, the staff member was assessed in the ER. All injuries were considered minor and resulted in no loss of work.

A new trend which emerged this past year was falls, which occurred 9 (13%) times. All of the falls occurred in the more intensive programs, 6 at Stevenson Place and 3 at In-Home, Intensive. 7 of the 9 incidents (78%) resulted in the resident being assessed in the ER and 4 of those involved some form of injury.

Contributing Issues

- A. The significant increase in adverse incidents from 33 in FY 2015 to 67 this reporting period is likely, in part, a result of Pathway Homes opening 2 new programs. The Russell Rd ALF is an 8 bed program designed to help individuals step-down from intensive inpatient settings. The Supported Living program added 55 new residents in scattered-site apartments as part of an SHP grant.
- B. Medical issues – the ALF level of care programs provide services to many individuals with co-occurring, chronic health conditions. 93% of incidents this year involved only 4 individuals, each of whom present with multiple, chronic health conditions.
- C. Psychiatric Instability – 57% of incidents resulting directly from psychiatric instability involved one resident at Russell Rd ALF. This is an individual who is attempting to transition to community living after a period of long-term hospitalization.
- D. Physical Aggression – 75% of incidents appeared to be directly related to an increase in psychiatric symptoms.
- E. Falls – Individual’s served at the higher level care programs are presenting with increased medical issues.

Corrective Action

- A. Staff and consumers were provided additional training regarding safety.
- B. In response to increased falls:
 - Environmental reviews were conducted and changes made to physical sites
 - Grab bars were installed in bathrooms
 - Residents were assisted in obtaining physical therapy as needed
 - Assistive devices were obtained when needed/desired
 - Staff worked closely with 2 individuals to transition to a higher level of care
- C. Staff and consumers were offered debriefings following incidents related to aggression and safety
- D. All clinical staff maintain certification in Therapeutic Options of Virginia (TOVA) which teaches verbal de-escalation techniques and how to safely manage an aggressive situations.
- E. Supervisors were provided additional training in effectively managing adverse incidents. Clinical Management Team analyzed program procedures and practices, and made modifications as appropriate.

Annual Medication Occurrence Review

This summary applies only to the Calamo and Terry Intensive In-Home and the Stevenson Place and Russell Road Assisted Living Facilities because individuals in the Semi-independent and Supported Living Programs manage and store their own medications with minimal staff support. Seven medication errors occurred agency-wide during fiscal year 2016. This is the same medication error number as the previous year. The total number of medication errors continue to reflect a less than 0.01% error rate for all programs:

Terry Drive	0
Calamo Street	1
Russell Road	2
Stevenson Place	4

Trends

Pathway Homes utilizes Board of Nursing-approved protocols that have built-in checks and balances. Program Directors provide ongoing oversight and auditing to ensure that the established protocols are being consistently implemented. The Director of Nursing coordinates the agency's medication training program for staff of all programs and provides consultation and auditing of protocols. Pathway Homes continues to see strong positive outcomes in medication management practices. The medication error rate for FY 2016 is too small to generate any statistically reliable trends.

Proactive & Corrective Actions

1. Program Supervisors continue to monitor medication protocols to ensure consistency in implementation.
2. Ongoing education is provided to consumers and staff regarding safe medication management practices.
3. In the event of an error, supervisors review the error and appropriate protocols with staff in individual supervision.
4. Residents are encouraged and receive training to assume an increasing level of responsibility for their medication management.

Plan to Prevent Recurrence

Program supervisors and nursing staff will continue to provide training and supports to staff to ensure safe and competent medication management. Individual programs will continue to routinely assess program-specific medication administration practices and make necessary adjustments to protocols.

8. Outcomes Management Summary

The agency tracks its continuous quality improvement activities through the implementation of several plans. The Service Delivery Improvement Plan and the Business Functions Improvement Plan continue to be integral to this process. Other performance improvement methods utilized by the agency include the Quality Records Review that is conducted by the Peer Review Committee (PRC). In 2012, the move to an electronic records system resulted in the revision of the PRC composition and a more efficient electronic review process through Credible. In response to feedback from PRC members, the electronic review form was revised during FY 2016 to address ease of use challenges. A detailed description of the findings of these reviews, and the committee's activities for the year can be found in the PRC Quarterly Reviews binder. In general, we seem to be on a downward trend with regard to the number of records reviewed over the past two years. For example, only 37 (49%) of 76 records assigned in FY 2016 were reviewed. In FY 2015, 68 (88%) of 77 assigned records were reviewed.

The Service Delivery Improvement Plan tracks the agency's progress in meeting clinically based outcomes that measure effectiveness, efficiency, access to services, and stakeholder satisfaction. The Business Functions Improvement Plan tracks progress in areas that include accounting objectives, maintenance issues, human rights complaints, and performance in meeting regulatory and accreditation standards. Highlights from both plans are outlined below and a detailed analysis of the agency's progress towards meeting all identified performance goals can be found in the binders for each of these plans.

Service Delivery Improvement Plan Highlights

Employment at least part-time: 19% of the 462 individuals who received housing and services from Pathway Homes in FY 2016 were employed at least part-time. We exceeded our goal of 15% by 4% but scored lower than FY 2015 (22%) and FY 2014 (24%). Agency-wide, we continue to be within the national average for the population served, which ranges from 15-20%. It must be noted that more than 60 individuals started receiving services during the fiscal year and were unemployed when they entered Pathways. Other trends worth noting are that 23% of individuals employed full time maintained that level of employment throughout the year and 77% of individuals employed part-time did the same. Twenty-one individuals went from at least part-time employment to unemployed status; eight went from unemployed to part-time status; and three went from part-time to full-time employment. Additionally 7% of individuals employed at least part-time were also in school during the year.

Psychiatric re-hospitalizations: 12% of individuals were hospitalized for psychiatric reasons during FY 2016. This is higher than our goal of <10% and two percent higher than our score of 10% in both FY 2015 and FY 2014. Specifically, 56 individuals experienced 112 psychiatric hospitalizations for a total of 1,308 hospital bed days. The average length of hospital stay was 12 days. Ninety-six (86%) of the 112 hospitalizations ended with the individuals returning home to the same level of housing and services they had pre-hospitalization. Those who were not discharged home went to other treatment environments that could better meet their needs at the time.

Permanent Stable Housing: For the second year in a row, 97% of individuals remained in stable housing. This continues to be a strong performance area for the agency due to the flexibility of housing and supports provided that enable individuals to receive more or less support based on their individual needs at any given time. It is also a reflection of the advantages of our continuum of housing type that make it possible for individuals to transition between our programs in instances where they might otherwise have to exit services entirely. Discharge destinations for those who did not remain in permanent housing include psychiatric hospital, jail, shelter, or living with friends.

Access to Counselors as needed: 90% of individuals reported that they like the amount of time counselors spend with them. This score puts us on target for our goal of 90% and is lower than the 94% in FY 2015 but higher than the FY 2014 score of 84%. It is likely that the ongoing expectation for at least 50% face-to-face time with individuals and the unprecedented number of clinical staff vacancies during the past year are reflected in this decrease from last year.

Vacancies filled within 30 days: There were 67 vacancies throughout the agency in FY 2016. Thirty-six (54%) of the 67 vacancies was filled within 30 days. This is lower than our goal of 90% but an improvement over the 38% score in FY 2016. The vacancies ranged from zero to 167 days. Average length of vacancies was calculated by project and the average length across program averages was 59 days. Factors impacting delay in filling vacancies in a timely manner include: criminal background check requirement, lack of individuals meeting the chronic homeless requirement, selected individuals changing their minds about the unit, and beds held to accommodate individuals transitioning from reallocated CoC projects.

Business Functions Improvement Plan Highlights

Eligible Medicaid billing completed by the 15th of each month: During the reporting period, our target was to bill weekly. However, only 66% of eligible billing for Medicaid was completed by the 15th each month – lower than the 100% goal in this area but higher than last year's score of 50%. Delay in billing appears to have been impacted by the roll out of 55 new beds under the

north county team. Also, timely completion of progress notes remained a factor in some of the delay in billing. Billing was completed for all outstanding units by the end of the fiscal year.

Maintenance items not prioritized as health and safety issues that are resolved, corrected or repaired within 60 days: Collecting complete and accurate data for this goal continued to pose significant challenges during the year especially with extended vacancies and changes in the property management division. An electronic database for tracking maintenance outcomes was explored in FY 2015 as an option but its use for this purpose is pending. During FY 2016, a residential management software was explored and identified but is pending implementation at this time. In short, this goal was considered discontinued during the past fiscal year and a new goal that aligns with our strategic plan will be identified and implemented next fiscal year.

External regulatory or accreditation visits that result in an overall finding of satisfactory or above for all programs each year: In FY2016, there were several visits from the Department of Behavioral Health and Developmental Services, the Department of Medical Assistance Services, Fairfax County Community Services Board, and several financial auditors. The agency's programs funded through the Department of Housing and Urban Development were also reviewed by the Office to Prevent and End Homelessness. The visits and audits resulted in no adverse findings. In addition, visits from a variety of other independent auditors resulted in Above Satisfactory or no findings outcomes. Notably, we completed our 4th Commission on Accreditation of Rehabilitation Facilities (CARF) survey during the fiscal year with "no recommendations."

Consumers who report satisfaction with the services they receive overall: 94% of consumers reported overall satisfaction with the services they receive. For the third year in a row, we exceeded our goal of 90% in this area.

Informal complaints received not resolved at Program Director Level: There were no informal complaints during FY2016. One formal (human rights) complaint regarding a resident's unit was addressed and resulted in an accommodation regarding the individual's request for transfer to an accessible unit. The search for a unit meeting the individual's expectations was ongoing at the end of the fiscal year.

9. FY 2016 Accessibility Plan Review

The agency's Leadership Team reviews and updates, where necessary, identified accessibility barriers each year. The following is a summary of the status of goals at the end of FY 2016.

ARCHITECTURAL: (a) Need to maintain the infrastructure of existing facilities, and (b) Install/upgrade auxiliary aides as needed in Pathways-owned/managed properties.

Status: (a) The Pathway Homes Maintenance Crew, along with volunteer groups, continued to provide maintenance services to Pathways' existing facilities and newly purchased properties where feasible. This year, 12 renovation projects were completed in 8 sites and ranged from kitchen replacements to bathroom and flooring upgrades. (b) Clinical staff continued to assess client needs and request accommodations where needed. A handrail was installed in at least one new unit during the fiscal year. The continued trend is that more individuals are aging in place and requesting or requiring more accessible features in their units. This has impacted how we prioritize and lease units.

Plan: Continue goals as written.

ENVIRONMENTAL: (a) Most persons cannot afford to furnish their apartments (b) Difficulty accessing affordable housing due to criminal background check requirements, corporate leasing requirements, and monthly utility payments, (c) Ensure access to subsidized public transportation for uninsured individuals unable to access government-funded rides (d) Maintain and replace aging agency vehicle fleet as needed, and (e) Need to maintain physical sites free from environmental contaminants (mold/bed bugs).

Status: (a) During the year, a strategic decision was made to no longer accept donated furniture due to the cost in manpower hours and storage unit fees to manage these donations. We were able to tap into budgeted funds to furnish units in new projects and work individually with individuals to tap into community resources as needed in the older projects. (b) We continued to lease from private properties, when available during the year, as a means of accessing affordable housing that would otherwise be unavailable to the individuals we serve due to restrictive criminal background checks. We strategically partnered with Christian Relief Services (CRS) to operate properties they own, opening up additional affordable units with minimum or no criminal background checks. Monthly utility payments no longer pose considerable challenges for individuals served in meeting their housing needs. (c) Transportation challenges continue to exist for the individuals we serve. We continued to meet this need by using a variety of subsidized and unsubsidized public transportation as well as agency and staff vehicles. Clinical staff focus continued to be on linking individual with public benefits for which they are eligible, including subsidized public transportation. (d) We successfully maintained the agency's fleet of vehicles by ensuring regular

check-ups and maintenance. A couple of vans were retired during the year. (e) We experienced fewer bedbug infestations than last year but continued to train staff and residents on implementing preventative measures, and taking appropriate action during an infestation.

Plan: Continue goals with the following revisions: (a) Ensure units are furnished appropriately (b) Ensure access to affordable housing for residents in the presence of criminal background check requirements, corporate leasing requirements, and other housing barriers, (c) Ensure access to subsidized public transportation for uninsured individuals unable to access government-funded rides (d) Maintain and replace aging agency vehicle fleet as needed, and (e) Maintain physical sites free from environmental contaminants (mold/bed bugs).

ATTITUDINAL: (a) Provide education and advocacy to promote inclusion and reduce stigma.

Status: (a) We continued to provide education and advocacy for mental health and related issues in our quarterly newsletter available online and in print. The Consumer Advisory Council was also supported this past year to apply for a grant, which they received to help train them on becoming mental health advocates and speaking on mental health issues to legislators and the general public. In addition, the Steps to Pathways seminars held every other month continue provide a platform to educate a wide range of stakeholders and other supporters on mental illnesses and substance use disorders and the work that Pathways does. Agency community events throughout the year (Cookout, Breakfast, Summer of the Arts Exhibition, Help the Homeless Walk) all have an underlying purpose of educating as well as fundraisers. Of particular note last year, the visit from the Creigh Deeds commission provided a national platform for our education and advocacy efforts as the visit was televised on a major TV station during primetime. The NBC4 Fitness Exposition that followed was also a platform that supported our advocacy efforts. The Board Advocacy Committee also engaged in individual and group activities that promoted the agency's advocacy and education priorities throughout the year.

Plan: Continue goal.

FINANCIAL: (a) Provide uninterrupted access to all benefits for which individuals are eligible; and (b) Hire and retain competent staff.

Status: (a) Clinical staff continues to work with individual consumers to ensure that they are receiving all the benefits and subsidies for which they are eligible, and on developing skills to return to, or maintain some form of employment of their choice. Almost all the chronically homeless individuals who entered Pathways' newest project this past fiscal year were unemployed

at entry. At the same time, 19% of individuals served throughout the agency were employed at least part-time during the fiscal year. The Summer of the Arts Exhibition continued to provide an opportunity for individuals to supplement their income with the sale of their artwork. However, fixed, limited income continues to create challenges for individuals who might otherwise be able to live more independently with decreased or no supportive services. (b) We hired eight more new staff this fiscal year than in the previous year. Some of these positions were the result of restructuring of existing positions but a couple of them were brand new positions, for example, the Director of Human Resources position, which was the culmination of several months working with a human resources consultant. Other highlights in this area include promotions for several clinical staff into management and/or supervisory positions. This area continues to be an area of growth for the agency and is included in our strategic plan.

Plan: Continue goals.

COMMUNICATION: (a) Stay current with best practice IT upgrades throughout the agency.

Status: (a) With the addition of an IT Support Specialist last year, the agency was able to keep pace with IT best practice upgrades during the year. All new clinical staff members were provided laptops and mobile phones with internet access and texting capability. Using Log-Me-In software, updates were pushed out to all systems remotely each night to ensure anti-virus and other software updates were current on desktops and laptops.

Also in FY 2016, we received pro bono consultation regarding our existing server, which is no longer under warranty and explored and identified moving to a cloud-based server complemented by Office 365 email/intranet offerings. We also explored and identified Real Page property management software with a plan to automate processes that would result in efficiencies and cost savings for leasing, certifications, maintenance, and accounting processes. Implementation of this software was pending as of the end of the fiscal year. At the same time, initial consultations were held to also explore an electronic human resources information system.

Plan: Continue goal.

REASONABLE ACCOMMODATION - Pathway Homes will provide a reasonable accommodation to address the needs of persons with disabilities unless doing so would result in a fundamental alteration in the nature of the program or pose an undue financial and administrative burden. Pathway Homes defines a reasonable accommodation as a change, exception, or adjustment to a program, service, building, dwelling unit, or workplace that will allow a qualified person with a disability to: participate fully in a program; take advantage of a service; live in a dwelling; or perform the essential functions of a job (See: Reasonable Accommodations Policy,

Number 1-R1 in Policy and Procedure Manual for additional definitions, and the agency procedures for addressing this issue). **There was one request for reasonable accommodation from a resident requiring an accessible unit, which resulted in voluntary relocation to another unit.**

10. Strategic Plan Update

The revised plan was completed and accepted by the Board of Directors in July, 2011 and has been evaluated and updated by Leadership Team at least every 6 months to a year since. The following summarizes progress made towards the revised strategic goal areas in FY2016, the final year of the plan. During the second half of the year, a strategic planning consultant funded through private grant awards, facilitated the agency's strategic planning process. The months-long project involved a survey of external stakeholders, board members, family group members, and funders. An ad-hoc planning committee comprised of leadership team and board members met periodically to review the data presented by the consultant.

The new strategic plan will be finalized and adopted by the board in the October annual meeting and implemented for 5 years starting in FY 2017. All but two strategic objectives from the previous plan were outstanding and will be revised and incorporated into the new plan.

a) **Information Technology:** The agency's IT infrastructure continued to expand this past fiscal year as we added 66 new computer systems (13 laptops and 3 desktops) and upgraded 17 existing systems (10 laptops and 7 desktops) for a total cost of \$19, 999.63. Upgrades also included installation of Windows 10 operating systems on all computers and laptops and started transition to LogMeIn and the phase out of GoToMyPC as our remote log in platform. Purchases of small IT equipment cost an additional \$4,571.88, however, we realized cost savings of \$19,599.02 from not having to buy the Microsoft Office licenses available through the Windows 10 upgrade package. With the addition of 44 new staff across the agency, onboarding continued to include orientation to IT protocols, security practices, and Credible training for all clinical staff. All staff persons were provided HIPAA/IT Security training at least once during the year. Conversion of cable and phone services to residents continued with only three sites (Scandia, Decade, Kincaid) pending at the end of the fiscal year.

The IT support specialist continued to take the lead in fielding IT helpdesk requests and processed 1,103 such requests in FY 2016, 81% of which were resolved on the same day, and 90% within

three days. It is notable that 74% of these requests originated from the main office where staff have direct access to IT staff and are often dropping by to ask for help. Five hundred and fifty six (50%) of all IT requests for assistance came via verbal reports with only 43 (4%) coming in through the IT Troubleshooting Form, which is the required method for reporting issues and is vital for tracking and reporting purposes. Notably, 163 (15%) of IT requests for assistance was self-reported (i.e. directly observed by IT staff).

b)Recovery: In the agency's pursuit of the good life for the individuals served, the 4th Annual Summer of Arts Exhibition took place in August 2016 at Reston Community Center at Hunter Woods. Many artists sold their works and the artist reception brought many art admirers out to meet Pathways artist in residence. In addition to the exhibition, several artists participated in a field trip to the National Portrait Gallery in DC where they were treated to a lunch provided by American Association of Retired Persons. The lunch was held in a donated conference space provided for an artist workshop developed by Pathways' board member and curator Jennifer Judelsohn. Funds designated to the Karen Free fund were used to support the exhibition as well as the field trip.

The Computer Training Center is in its third year. This year, 10 students received over 400 hours of computer training at the volunteer-led training center. Courses included internet basics, Microsoft classes, typing and many students have also received customized training beyond the standard curriculum. This year two students won new laptops through the course attendance raffle. Those students now bring their laptops to the class, opening up additional computer space at the existing computer workstations in the center. The training class can now serve up to six students per session.

c) Growth: Pathways continued to follow its strategic vision to provide permanent supported housing and support nation-wide efforts to end homelessness in communities across the country. The following is a snapshot of these efforts and outcomes:

- Fully expended our HOME and Community Development Block Grant (CDBG) awards of \$175,785 and \$225,000 to purchase a 3-bedroom townhouse and a 2-bedroom condo in Prince William County.
- Awarded a renewal contract for the Stevenson Place 37-bed ALF in the amount of \$1,225,077 was made to Pathways for an additional 2 years with 3 one-year extensions.
- Awarded four Project Based Housing Vouchers through Fairfax County DHCD.
- Submitted an application for the 2015 SHP HUD Bonus project in the amount of \$504,272 to lease 22 1- bedroom units and provide supportive services to 22 chronically homeless individuals.
- Submitted (4) separate Community Consolidated Funding Pool (CCFP) applications in November 2015 for fiscal year 2017-18, was awarded a total of \$694,746 to fund three of the four projects for FY 2017 FY 2018.
- Awarded first regional DBHDS grant of \$1,407,576 over two years, to serve 31 individuals in Fairfax County, Prince William County, and Alexandria City.
- Awarded \$125,000 for 3 years by the Potomac Health Foundation to continue our service expansion into Prince William County.
- Renegotiated our sole source contract which was decreased by \$103,344.66 due to the elimination of (2) deployed positions (Crisis Care MHC1 position, and the Audobon MHC II live in position). The current sole source contact was renewed with a .6% market rate adjustment (\$16,193) for a final FY17 contract of \$2,743,248.
- Awarded the interest only \$600,000 loan @ 1% from the Virginia Housing Trust Fund to purchase four condos to increase the inventory for our McKinney projects expansion.

d) **Human Resources:** For the 5th year in a row, Pathway Homes ranked on the 50 Best Non-Profit to Work for list! The award program is sponsored by The Non Profit Times and Best Companies Group (BCG), which utilizes a nationwide survey to identify, recognize and honor the best places of employment in the nonprofit industry in the U.S.

The agency continued to invest in the professional development of employees as outlined in the 2011 Strategic Plan and provided a variety of training opportunities for clinical and non-clinical staff. The Relias Learning web-based training system continues to be a primary source of agency-wide training for all staff. The President and CEO was accepted in the 2015 session of Strategic Perspectives in Nonprofit Management (SPNM), from 7/12/15 to 7/18/15. A select number of CEOs are admitted each year to attend the Harvard Business School professional development series. This 7-day training series is designed for nonprofit chief executive officers who are responsible for shaping the direction, mission, and policies of their organizations, assessing financial performance, developing appropriate performance measures and management control systems, and implementing organizational change for service excellence. Also in July, the agency's management team participated in a talent management training facilitated by external consultants from RuVal.

During this past fiscal year, the agency wrapped up its financial training series through contract with Mylestone Plans, the administrative company providing enrollment and oversight of the agencies Tax Sheltered Annuity Plan (403b) with Lincoln Financial Group. The training provided individualized financial planning services and group training to Pathway Homes' employees at no cost. Topics presented through this training series in the past year included retirement planning, and maximizing tax sheltered annuity contributions.

The agency continued to demonstrate its commitment to maintaining a highly educated and trained workforce with the implementation of a Tuition Reimbursement Lottery. Eligible employees continued to submit an entry into the quarterly lottery for reimbursement of a career-related course completed within one year of the quarter with a grade of C or better. When chosen, employees were reimbursed for the cost of the completed course, up to one thousand and three hundred dollars (\$1,300). Six employees applied for this benefit during FY 2016. As of the end of the fiscal year, four had received reimbursements totaling \$5,200.

Pathway Homes continued to expand the fringe benefits offered by making a change to the Bereavement Leave policy. Employees were granted up to five work days of Bereavement Leave for a death in the immediate family. The prior policy granted three days. During the year, Pathway Homes increased the employee base by adding a number of new positions to support agency growth and expansion. These positions spanned clinical, human resources, housing, and accounting functions.

e) **Communication:** In FY 2016, planned, targeted, and specific communication campaign strategies and timelines were created and implemented for the various philanthropic campaigns, including Summer of the Arts, Help the Homeless, Holiday Wish List, and Steps to Pathways Breakfast. These strategies were based on non-profit best practices, in-house testing, feedback surveys, and stated goals for each campaign. Messaging utilized a mix of communications tools, including online resources, email marketing, direct mail, print materials, and social media platforms. Communications support, including graphic design, desktop publishing, and bulk mail preparation, was also provided for non-philanthropic agency events, including the Resident Holiday Party, Employee Holiday Party, Employee Recognition Luncheon, Resident Summer Cookout, as well as the agency's Holiday Greeting Card.

The communications function continued to provide support to the board Advocacy committee in the form of printed devices reflecting the committee's strategic priorities that were used to educate and influence local and state elected officials. Additional materials were created to help inform and train other volunteer advocates. The communications manager was successful in getting NBC4 to cover the Creigh Deeds task force to Pathways. The relationship established with this news media outlet was also responsible for Pathway Homes being invited to exhibit at the annual NBC4 Health & Fitness Expo in Washington DC.

The significant new project for FY2016 was the creation of a new agency brochure specifically for marketing purposes since the existing agency brochure was targeted specifically to an audience

interested in obtaining services from Pathways. The services-focused brochure will be updated to reflect the expanded range of Pathways' services.

Ongoing utilization of email marketing and social media continues to yield increases in engagement with the community we serve. As a result of these efforts, we have seen an increase in the number of followers on Facebook by 13%, the number of followers on Twitter by 36%, and the number of contacts in our email marketing database by 32% from the previous year.

11. Information Technology Plan Update

We continued the expansion of our IT infrastructure in FY 2016 to include exploration of a property management database and cloud-based server and internet solutions. The IT Consultant position was formally discontinued with the addition of the IT Support Specialist in FY 2015.

Revisions to the current IT plan were completed at the end of FY 2015 (for the period FY 2016-2018) to reflect ongoing IT improvements throughout the agency that include software, hardware, and infrastructural updates. *Refer to the IT Plan in the Organizational Plans folder for the revised plan and targets.*

12. FY 2016 Satisfaction Surveys Review

In FY 2016, we continued to survey the consumers at the beginning and end of services, periodically during services, and three months after discharge (See Service Delivery Report for details). The existing annual consumer satisfaction survey continues to be the tool for data collection at periodic intervals.

Consumer Satisfaction Survey: four hundred and four surveys were sent out in FY 2016 and 142 (35%) were returned. This is 8% lower than the response rate from the previous year but higher than the agency target of >30%. Of the people who responded this year, 94% reported being satisfied with the services Pathway Homes provides, unchanged from the past two years. Also, 90% stated that they like the amount of time their counselor spends with them, a 4% decrease from the previous year. In addition, 96% (highest overall score) stated that the Pathways staff they come in contact with treat them with dignity and respect. On the other hand, 84% (lowest overall score) reported that they feel safe in their homes.

As in previous years, the Consumer Advisory Council's input was obtained in the survey design and administration process. The survey responses and trends were also discussed with the council and the council was provided an overview about the agency response rate goal and implications. Additionally, the survey results and trends were communicated to the agency consumer and staff body.

Staff Satisfaction Survey: The agency has participated in the Nonprofit Times Best Nonprofit to Work for survey since 2012. In FY 2016, the response rate for Pathways' employees was 51%, 2% higher than in 2015 and 7% higher than it was in 2012, the first year we participated in this survey. The overall satisfaction rate for Pathway Homes as an employer was 94%, 2% lower than in the previous year and compared to 95% for similar-sized organizations that made the list this year. The highest average rating Pathways received in this survey was tied in the Relationship with Supervisor category (95%) compared to 92% for similar-sized organizations that made the list and 93% in the previous year. The lowest rated category for a fourth consecutive year was Pay

and Benefits (80%) compared to 81% last year and 87% for organizations that made the list this year. Overall, Pathways scored higher than similar size companies in 11 areas of the survey and worse than similar size companies in 14 areas. Pathways score was equal to other similar size companies in 8 areas of the survey. The results from this survey continue to be discussed and action steps outlined in Leadership and Management Team meetings. Specific areas targeted for improvement include clinical staffing levels, pay, and employee perception regarding safety (corporate culture and communication and work environment).

Board Survey: The Pathways Board Survey was surveyed in September, 2015. Eight (67%) responded and 88% of those reported feeling that the board as a whole possesses the right skills and background for the current issues facing Pathways. Similarly, 88% reported that the criteria to be a board member are appropriate for the current issues facing the agency; that the identification, selection and nomination process is appropriate; and that the board has the right committee structure. One hundred percent agreed that the number of meetings per year is appropriate; the board receives adequate materials in advance of meetings; and that the quality of presentations to the board is satisfactory. Only 75% of the respondents agreed that the board is prepared to handle a crisis situation. Priorities the board identified at the time included board development, reducing the waitlist, advocacy, and diversification of funding sources. Suggestions to improve board effectiveness included learning series for board members regarding operational issues facing the agency; increased board involvement in advocacy and education; and providing more opportunities for the board to get together socially outside board meetings. The survey results provided a platform for the board retreat that followed in October 2015, and have guided the board's focus in the past year in areas such as onboarding of new board members, board advocacy and fundraising activities, and presentations to the board.

It is worth noting that the Pathways Board of Directors was selected as a finalist for the Center for Non Profit Board Leadership Award at the end of the fiscal year.

Volunteer Survey: We continue to survey our volunteers one month after hire, annually, and one week after they leave. In addition, we survey volunteer site supervisors every six months. During FY 2016, three (60%) of five new volunteers responded to a Welcome Survey and reported that overall they were satisfied with the recruitment and on-boarding process, however, they would have benefitted from more training and a better understanding of the goals to be achieved with the consumers they were helping. Annual surveys were sent to twelve ongoing volunteers. Three (25%) responded that they are likely to recommend someone else to volunteer with Pathways. When asked what was most difficult, either they shared they had no difficulty or those in the computer training center commented that when consumers don't show up without notice that can be frustrating.

Additionally, annual surveys were sent to ten Pathways volunteer site supervisors. Nine (90%) responded that the volunteers assigned to their site were dependable and that they were happy with the level of support provided. Overall, site supervisors found time spent developing these volunteers helped the residents and supplemented administrative needs. We also sent surveys to one-time volunteers supporting our events during the year. The majority of these volunteers came to us through Volunteer Fairfax. All respondents said they enjoyed the experience and would volunteer with us again. When asked what we could have done better, they expressed that more direction during the event would have been helpful and that the cookout had some downtime while they awaited instruction. However, all of them reported that everyone was supportive.

Based on this feedback, we continue to explore ways to improve the volunteer orientation process for ongoing volunteers to include role clarification and expectations for all involved. We are also working on incorporating training on basic mental health topics in the volunteer orientation and review process.

13. Employee Recognition

Pathway Homes' Recognition Program acknowledges the dedication and excellent work of employees. The program has four parts: KUDOS Cards, Employee of the Quarter, Annual Employee Achievement and Service Recognition.

Employees are encouraged to recognize each other using KUDOS Cards. Cards are filled out with a message of recognition and appreciation. These cards are forwarded to supervisors who can then honor the employee in front of their peers.

The Employee of the Quarter is selected using a peer nomination and selection process. Pathway Homes has a Recognition Committee, made up of staff from the various departments/programs with the agency, who selects the award winners. Employees honored in FY 2016 were:

Summer: Catherine Crowe

Fall: Tu Ly

Winter: Rebecca Kahingo

Spring: Amparo O'Connell

Employee excellence over the full year is recognized through Annual Achievement Awards. As with the Employee of the Quarter program, employees nominate co-workers, and the Recognition Committee selects the honorees who best meet the established criteria. Employees honored in FY 2016 (for calendar year 2015) were:

Support & Teambuilding: Galnetta Lee

Mission in Action: Brittany Darner-Cruise

Visionary Service: Larry Rockwell

Each year Pathway Homes holds an Annual Recognition Event. This year Pathway Homes recognized employees reaching milestones of five, ten, fifteen and twenty years of service.

14. Philanthropy and Volunteering

During FY 2016, Pathway Homes received \$246,766 in contributions. This is a 21% increase from FY 2015 and the agency is on track to reach its \$500,000 contribution goal by 2020.

Pathway Homes experienced a dramatic increase in both the number and amount of monetary donations received from organizational donors (foundations and corporate givers fall in the organization category). Specifically, revenue from organizations increased 127% over the previous year and the number of new organizational donors increased by 32%. Equally promising, current organizational partners also increased the amount they gave by 33%

Unlike last year where we saw a dramatic increase in individual giving, we experienced a 6.5% decline in the number of individual donors and a 35% in individual revenue this year. This decline can be attributed to two large one-time donations we received in FY 2015 that we did not receive in FY 2016. If these two outliers are removed, the per-gift amount and the total individual revenue received actually increased by 9% from FY 2015 to F 20Y16.

According to a 2016 study released by the Benefactor Group, the median amount raised per \$1 spent on a special event is \$3.20. The range is from \$2.00 to \$6.30. The median amount for a direct mail campaign such as the Holiday Wish List is \$10 with a range between \$4.50 and \$25.90. Return on Investment (ROI) for three Pathways primary fundraising campaigns this past year remained at \$14 in revenue for every \$1 spent. The Steps to Pathway Benefit Breakfast returned \$5.87 for every \$1 spent, up from \$3.20 the year before. The Help the Homeless Walk came in at \$4.52 for every \$1 spent, down from \$7.77 last year. In previous years, tee-shirts for the Walk were provided by Fannie Mae. This year, we purchased the tee-shirts resulting in a decrease in ROI for this event. The Holiday Wish List (HWL) came in at \$3.76 per \$1 spent, down slightly from \$3.85 last year.

Measuring the ROI for the HWL is challenging for several reasons. As individuals receive the annual solicitation letter, it prompts many end-of-the-year donations. However, they do not always return the HWL response with their checks or they donate online to other categories of

giving. As a result, it is likely that the ROI on the HWL campaign is actually higher than the solicitation analysis reflects. As many donors shift away from writing donation checks to making payments online, it will be imperative for us to explore more effective ways of capturing the performance of this campaign.

The contributions raised support the agency's strategic planning, infrastructure needs, and expansion into Prince William County. Also, funds raised in support of the IT campaign will contribute towards implementing the new strategic plan over the next five years. Additionally, our new partnership with the Potomac Health Foundation is providing us with the opportunity to further expand our best practice model of care into Prince William County. Funds donated through this partnership for supportive services allowed us to serve individuals for whom we are unable to bill Medicaid for services.

Volunteer Activity

Total Volunteers: 308 volunteers

Total Number of Volunteer Groups: 11 groups

Total Volunteer Hours: 3,700 hours.

For a Total Value of \$87,172

During the year, volunteers supported operational, property management, events and quality of life activities that sustain our agency and those we serve. Volunteers worked at the front desk in the main office and complemented the nursing and counseling staff at Stevenson Place. Also, several volunteers beautified 9 properties saving the agency over \$10,000. In addition to giving their time, they also donated the mulch, plants and other materials for these projects.

Almost 200 volunteers supported several events over the past year including the Resident Cook-Out and Holiday Parties, the Help the Homeless Walk and the Steps to Pathways Breakfast. With these volunteers, the ROI on our fundraising events is much higher than if we had to hire outside help for these events. For example, the catering costs for the breakfast were greatly reduced

because we had an all-volunteer serving crew. As a result, more funds go directly to helping those we serve.

Volunteers contributed to improving the quality of life of the individuals we served during the year. Twenty-eight volunteers worked one-on-one with residents at the Computer Training Center, and in their homes in a variety of ways including serving as a reading buddy, teaching English language classes, and cutting and styling their hair.

The most successful partnerships were those where the volunteer worked with a consistent supervisor and that supervisor took the time to clearly explain the goals of the volunteer project and supported the volunteer. Those volunteers that work directly with consumers shared that they enjoy that interaction and have found it to be a positive experience. All respondents said that they would be very or somewhat likely to recommend volunteering for our organization to a friend or colleague.

15. Corporate Compliance

Pathway Homes' leadership continues to be fully committed to preventing and detecting fraud, fiscal mismanagement, and misappropriation of funds. There were no reports of fraud, waste, and/or abuse during FY 2016. There was one suspected instance of fraudulent timesheet completion but this was investigated and determined to be unfounded.

A variety of periodic audits, including the annual financial audit, HUD monitoring visit, DSS site visit, CSB audit, and Fairfax County Continuum of Care monitoring audits were completed during FY 2016. There were no internal control weaknesses found.

The agency's Corporate Compliance Operations Team met at least once each quarter to review emerging issues or concerns and to discuss staff training needs in this area. Areas of discussion continued to focus on the implementation of additional internal financial controls, tracking mileage documentation and reimbursements, and identifying efficiencies in cable and phone systems across the agency. The rollout of the consolidation and streamlining of phone and cable systems continued and is almost complete, saving the agency considerable amounts of money.

See the Corporate Compliance manual for the minutes of the Corporate Compliance Operations Team meetings.