

**FOOTSTEPS, INC.**

**Financial Statements  
for the year ended  
September 30, 2024**

## **Independent Auditor's Report**

To the Board of Trustees  
Footsteps, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Footsteps, Inc. (the "Organization"), which comprise the statement of financial position as of September 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 the Organization'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 the Organization'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.

*Condon O'Meara McGinty + Donnelly LLP*

**FOOTSTEPS, INC.**

**Statement of Financial Position**

**Assets**

	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 973,824	\$ 1,258,115
Investments, at fair value	1,148,147	980,993
Contributions receivable	470,303	1,454,488
Prepaid expenses	27,423	39,503
Total current assets	2,619,697	3,733,099
<b>Contributions receivable, net of current portion</b>	200,000	271,541
<b>Leasehold improvements, furniture and equipment, net</b>	228,838	236,349
<b>Right-of-use asset – operating lease</b>	98,725	329,890
<b>Total assets</b>	<b>\$ 3,147,260</b>	<b>\$ 4,570,879</b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable	\$ 47,174	\$ 72,852
Accrued expenses	139,837	172,068
Current portion of operating lease payable	98,725	231,165
Total current liabilities	285,736	476,085
<b>Operating lease payable, net of current portion</b>	-	98,725
Total liabilities	285,736	574,810
<b>Net assets</b>		
Without donor restrictions	1,045,210	1,086,281
With donor restrictions	1,816,314	2,909,788
Total net assets	2,861,524	3,996,069
<b>Total liabilities and net assets</b>	<b>\$ 3,147,260</b>	<b>\$ 4,570,879</b>

See notes to financial statements.



FOOTSTEPS, INC.

Statement of Functional Expenses  
Year Ended September 30, 2024  
(With Summarized Comparative Information for the year Ended September 30, 2023)

	2024						2023			
	Program Services			Supporting Activities						
	Counseling and Support		Education	Management and General		Fundraising	Total		Total	
Identity Development	Family Supports	Community Engagement	Field and Movement Building	Total Counseling and Support	Economic Empowerment	Total Program Services	Management and General	Fundraising	Total	
Personnel costs	\$ 402,871	\$ 278,710	\$ 337,815	\$ 328,374	\$ 1,347,770	\$ 486,561	\$ 1,834,331	\$ 387,232	\$ 261,906	\$ 2,231,924
Salaries and wages	107,847	48,856	43,317	48,257	248,277	96,995	345,272	64,629	17,658	389,772
Benefits	34,340	23,742	28,536	27,981	114,599	41,254	155,853	35,448	24,351	184,395
Payroll taxes	545,058	351,308	409,668	404,612	1,710,646	624,810	2,335,456	487,309	303,915	2,806,091
Total personnel costs	-	-	-	-	-	-	-	6,790	1,360	8,150
Advertising and marketing	25,651	138,722	4,959	33,735	203,067	35,385	238,452	107,488	116,930	462,870
Professional fees and consultants	8,172	4,086	7,713	13,010	32,981	11,907	44,888	21,747	29,255	89,852
Supplies and office expenses	9,268	5,138	6,805	8,427	29,638	17,544	47,182	21,141	11,289	60,154
Information technology	46,211	30,981	38,295	35,077	150,564	56,196	206,760	37,278	24,934	279,173
Occupancy	1,923	1,751	5,417	2,733	11,824	7,375	19,199	8,485	6,363	34,047
Travel	1,664	1,343	3,633	4,514	11,154	3,402	14,556	11,865	2,352	19,640
Meetings and conferences	617	415	496	487	2,015	720	2,735	6,250	306	26,451
Insurance	12,208	27,796	134,236	4,926	179,166	13,609	192,775	2,012	600	8,915
Direct member assistance	2,116	3,000	9,900	-	15,016	644,944	659,960	-	-	163,882
Scholarships and direct financial support	-	-	9,728	-	9,728	-	9,728	-	-	728,860
Microgrants to individuals	-	-	-	-	-	-	-	-	-	10,950
Contributed nonfinancial assets	-	-	-	-	-	-	-	-	-	30,188
Catering, facility and other	-	-	-	-	-	-	-	-	-	209,483
Fundraising events	-	-	-	-	-	-	-	-	-	76,305
Depreciation and amortization	1,486	710	880	689	3,765	1,666	5,431	1,516	564	26,907
Total expenses by function	654,374	565,250	631,730	508,210	2,359,564	1,417,558	3,777,122	711,881	497,868	5,141,325
Less: direct expenses of special event net with revenue on the statement of activities	-	-	-	-	-	-	-	-	-	209,483
Total	\$ 654,374	\$ 565,250	\$ 631,730	\$ 508,210	\$ 2,359,564	\$ 1,417,558	\$ 3,777,122	\$ 711,881	\$ 497,868	\$ 4,931,842

See notes to financial statements.

**FOOTSTEPS, INC.**

**Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>September 30</b>	
	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$(1,134,545)	\$ 1,189,647
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	7,511	26,907
Amortization of right-of-use asset – operating lease	231,165	224,755
Realized (gain) sale of investments	(25,486)	-
Unrealized (gain) on investments	(179,158)	(109,535)
(Increase) decrease in assets		
Contributions receivable	1,055,726	(1,198,891)
Prepaid expenses	12,080	(19,822)
Increase (decrease) in liabilities		
Accounts payable	(25,678)	(54,975)
Accrued expenses	(32,231)	45,961
Repayment of operating lease payable	(231,165)	(224,755)
Net cash (used in) operating activities	<u>(321,781)</u>	<u>(120,708)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	57,490	-
Purchase of investments	(20,000)	-
Net cash provided by investing activities	<u>37,490</u>	<u>-</u>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(284,291)</b>	<b>(120,708)</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>1,258,115</b></u>	<u><b>1,378,823</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 973,824</b></u>	<u><b>\$ 1,258,115</b></u>

See notes to financial statements.

**FOOTSTEPS, INC.****Notes to Financial Statements  
September 30, 2024****Note 1 – Nature of organization**

Footsteps, Inc., a New York nonprofit corporation (the “Organization”) was established in 2003 as a 501(c)(3) Organization. The Organization supports and affirms individuals and families who have left, or are contemplating leaving, insular ultra-Orthodox Jewish communities in their quest to lead self-determined lives by offering the following programs:

**Counseling and Support**

Identity Development supports members through peer support groups, one-to-one supportive counseling, acculturation workshops, and referrals to mental health services.

Family Supports are geared towards parents fighting for the right to a relationship with their children as they leave ultra-Orthodoxy. Program activities include: case management, peer support drop-in groups and workshops, partnerships with lawyers and legal groups to provide legal consultation and representation, and a legal fund for members.

Community Engagement builds the strength of our network to ensure that members have friends and allies along their journey. Highlights include: social events, community building activities, and leadership development.

Field and Movement Building seeks to educate and mobilize the public around reform efforts and issues of concern to those leaving ultra-orthodoxy.

**Education**

Economic Empowerment supports members’ economic self-sufficiency through education, career and financial counseling programs, workshops and partnerships with trusted organizations. Educational scholarships, crisis supports, tutoring, and mentoring are also offered.

**Note 2 – Summary of significant accounting policies****Basis of presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The following comprise the significant accounting policies of the Organization.

**Net assets**

Under accounting principles generally accepted in the United States of America, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions**

Net assets that are not subject to donor-imposed stipulations and may be expendable for any purpose in performing the primary objectives of the Organization. Included in net assets without donor restrictions is a Board Reserve Fund of \$449,936 and \$428,228 as of September 30, 2024 and September 30, 2023, respectively.

**FOOTSTEPS, INC.****Notes to Financial Statements (continued)  
September 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Net assets with temporary donor restrictions

Net assets with temporary donor restrictions consist of net assets subject to donor-imposed stipulation that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to record contributions with donor-imposed restrictions that are met in the same year that the contributions are received as support without donor restrictions.

Net assets with perpetual donor restrictions

Net assets with perpetual donor restrictions consist of contributions that are restricted by the donor in perpetuity, but the income of such contributions is classified as either with or without donor restrictions. During 2018, the Organization received a \$1,000,000 donation to be held in an endowment fund. Any income earned is to be used to support scholarships.

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Revenue from special events is recognized when the performance obligation is met, which is at the time the event occurs.

For the years ended September 30, 2024 and September 30, 2023, the Organization recognized revenue at a point in time of \$7,475 and \$454,193, respectively.

Cash and cash equivalents

Cash equivalents consist of highly liquid investments with original maturities of 90 days or less at the date of acquisition. Included in cash equivalents is a money market fund.

Investments

The Organization reports investments at fair value in the statement of financial position. The fair value of the investments is based on publicly quoted prices. Interest, dividends, realized and unrealized gains and losses are included in the statement of activities.

**FOOTSTEPS, INC.****Notes to Financial Statements (continued)  
September 30, 2024****Note 2 – Summary of significant accounting policies (continued)**Fair values of financial instruments

The Organization's financial instruments consist of cash, cash equivalents and investments. The Organization estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The carrying amounts of cash and cash equivalents reported in the statement of financial position approximates fair value because of the short maturities of those instruments.

Allowance for credit losses

As of September 30, 2024 and September 30, 2023, the Organization deems all receivables to be collectible and, accordingly, does not have an allowance for credit losses. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current and future anticipated economic conditions.

Leasehold improvements, furniture and equipment

Leasehold improvements are being amortized by the straight-line method over the estimated useful life of seven years. Furniture and equipment are being depreciated by the straight-line method over the estimated useful life of five years. Expenditures for repairs and maintenance are charged as an expense and major renewals and betterments are capitalized.

Contributed nonfinancial assets

The Organization is required to recognize donations of goods and services if they (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically would have been purchased by the Organization. The Organization received contributed nonfinancial assets totaling \$30,188 for year ended September 30, 2023, which are recorded as revenue in the accompanying statement of activities. There were no contributed nonfinancial assets received for the year ended September 30, 2024.

Functional allocation of expenses

The cost of providing the various programs and other activities of the Organization have been summarized on a functional basis in the accompanying combined statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefitted. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques including time and effort spent.

**FOOTSTEPS, INC.**

**Notes to Financial Statements (continued)**  
**September 30, 2024**

**Note 2 – Summary of significant accounting policies (continued)**

Concentrations of credit risk

The Organization’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and contributions receivable. The Organization places its cash and cash equivalents with quality financial institutions. At times during the year, the balance in the cash accounts exceeded the FDIC insurance limit. However, the Organization has not experienced any losses in such accounts to date. Investments are exposed to various risks such as interest rate, market volatility and credit risk. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position. The Organization routinely assesses the financial strength of its financial institutions and investment portfolio. The contributions receivable are primarily from individual donors. Management monitors the collectability of the receivables. The Organization believes no significant risk of loss is likely as a result of credit risk concentrations with respect to its cash, cash equivalents, investments and contributions receivable.

Operating lease

The Organization recognizes right-of-use (“ROU”) assets, which represent the right to control the use of a respective asset for the lease term, and a lease liability on the statement of financial position. The Organization has elected to exclude leases with terms of less than twelve months and has determined that it is not material to discount its lease to its net present value.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through May 16, 2025, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and availability of financial assets**

The Organization’s working capital and cash flows have seasonal variations during the year attributable to contributions and other revenue items. The following is a summary of the Organization’s financial asset as of September 30, 2024 and September 30, 2023 that are available for general use within one year of the statement of financial position date reduced by amounts not available for general use within one year due to donor restrictions:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 973,824	\$ 1,258,115
Investments, at fair value	1,148,147	980,993
Contributions receivable	<u>470,303</u>	<u>1,454,488</u>
Sub-total	2,592,274	3,693,596
Less: assets with donor restrictions	<u>(1,816,314)</u>	<u>(2,909,788)</u>
Total	<u>\$ 775,960</u>	<u>\$ 783,808</u>

**FOOTSTEPS, INC.**

**Notes to Financial Statements (continued)**  
**September 30, 2024**

**Note 4 – Investments, at fair value**

Investments consist of the following as of September 30, 2024 and September 30, 2023:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange-traded funds				
Fixed income	\$ 315,487	\$ 294,885	\$ 280,487	\$ 240,443
Equities	<u>565,123</u>	<u>853,262</u>	<u>612,127</u>	<u>740,550</u>
Total	<u>\$ 880,610</u>	<u>\$1,148,147</u>	<u>\$ 892,614</u>	<u>\$ 980,993</u>

Investment return consists of the following as of September 30, 2024 and September 30, 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 53,576	\$ 40,560
Realized gain on sale of investments	25,486	-
Unrealized gain on investments	<u>179,158</u>	<u>109,535</u>
Total	<u>\$ 258,220</u>	<u>\$ 150,095</u>

**Note 5 – Contributions receivable**

Contributions receivable consist of the following at September 30, 2024 and September 30, 2023:

Amounts due in:	<u>2024</u>	<u>2023</u>
Less than one year	\$ 470,303	\$1,454,488
One to five years	<u>200,000</u>	<u>271,541</u>
Total	<u>\$ 670,303</u>	<u>\$1,726,029</u>

**Note 6 – Leasehold improvements, furniture and equipment, net**

The summary of the property and equipment as of September 30, 2024 and September 30, 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Leasehold improvements	\$ 271,526	\$ 271,526
Furniture and equipment	<u>37,557</u>	<u>37,557</u>
Sub-total	309,083	309,083
Less: accumulated depreciation and amortization	<u>80,245</u>	<u>72,734</u>
Total	<u>\$ 228,838</u>	<u>\$ 236,349</u>

**FOOTSTEPS, INC.**

**Notes to Financial Statements (continued)**  
**September 30, 2024**

**Note 7 – Operating lease**

The Organization has a lease agreement for office space, which expired February 28, 2025. The lease, which commenced May 1, 2019, required the Organization to pay an initial fixed monthly rent of \$16,289, increasing annually to a fixed monthly payment of \$19,854 in the final year of the lease.

In addition to the minimum rent, the Organization is also required to pay its proportionate share of certain operating costs of the landlord. During March 2020, the lease agreement was amended in connection with a leasehold improvement joining the Organization's existing office suite with two contiguous spaces. The costs incurred totaling \$271,526 are recorded as leasehold improvements on the statement of financial position. As security for the lease, the Organization obtained a \$59,500 letter of credit for the benefit of the landlord. Operating lease costs during the 2024 and 2023 fiscal years totaled \$231,165 and \$224,775, respectively, which are included in occupancy expense on the statement of functional expenses. Future minimum payments on this lease are \$98,725 as of September 30, 2024.

On March 17, 2025, the lease agreement was amended to extend the term of the lease until June 2032. Effective March 1, 2025, the lease requires a monthly base rent of \$17,775 increase annually to a monthly base rent of \$21,244 in the final year of the lease. In connection with the lease extension, the letter of credit were reduced from \$59,500 to \$40,012.

The following is a summary of lease information for the years ended September 30, 2024 and September 30, 2023:

	2024	2023
ROU assets recorded in connection with the lease standard	\$ -	\$ 554,645

**Note 8 – Net assets with donor restrictions**

The following is a summary of the activity of the net assets with donor restrictions for the years ended September 30, 2024 and September 30, 2023:

	Balance September 30, 2023	Additions	Net Assets Released from Restrictions	Balance September 30, 2024
<u>Temporary Restrictions:</u>				
General Operations	\$ 1,135,000	\$ 240,000	\$(1,135,000)	\$ 240,000
Scholarships	440,413	-	(218,724)	221,689
Capacity Building	25,000	104,625	(25,000)	104,625
Economic Empowerment	309,375	200,000	(259,375)	250,000
Sub-total	1,909,788	544,625	(1,638,099)	816,314
Perpetual Restrictions	1,000,000	-	-	1,000,000
Total	\$ 2,909,788	\$ 544,625	\$(1,638,099)	\$ 1,816,314

**FOOTSTEPS, INC.**

**Notes to Financial Statements (continued)  
September 30, 2024**

**Note 8 – Net assets with donor restrictions (continued)**

	Balance September 30, <u>2022</u>	<u>Additions</u>	Net Assets Released from <u>Restrictions</u>	Balance September 30, <u>2023</u>
<u>Temporary Restrictions:</u>				
General Operations	\$ 91,905	\$ 2,270,000	\$ (1,226,905)	\$ 1,135,000
Scholarships	220,000	440,000	(219,587)	440,413
Capacity Building	-	50,000	(25,000)	25,000
Economic Empowerment	135,875	425,000	(251,500)	309,375
Family Justice	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>	<u>-</u>
Sub-total	542,780	3,185,000	(1,817,992)	1,909,788
Perpetual Restrictions	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total	<u>\$ 1,542,780</u>	<u>\$ 3,185,000</u>	<u>\$ (1,817,992)</u>	<u>\$ 2,909,788</u>

**Note 9 – Retirement plan**

The Organization has a SIMPLE IRA retirement plan for all eligible employees. Eligible employees may contribute a portion of their salary, not to exceed limits established by the Internal Revenue Service. The Organization matches contributions equal to an employee's salary deferred to the plan up to a limit of 3% of the employee's compensation for the calendar year. The Organization's matching contributions for the years ended September 30, 2024 and September 30, 2023, was \$73,195 and \$51,606, respectively.

**Note 10 – Tax status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code and not a private foundation. Accordingly, no provision for federal, state or local income taxes has been recorded.