

**FOOTSTEPS, INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

445 EAST 86TH STREET #6B  
NEW YORK, NY 10028

TEL: 212-860-5484  
FAX: 212-369-6303

**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Footsteps, Inc.  
New York, New York 10272

I have audited the accompanying financial statements of Footsteps, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Footsteps, Inc. as of September 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New York, New York  
June 26, 2017

**FOOTSTEPS, INC.**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2016**

**ASSETS**

Current assets		
Cash in bank	\$ 402,598	
Contributions receivable	346,500	
Prepaid expenses	<u>6,052</u>	
Total current assets		\$ 755,150
Fixes and other assets		
Leasehold improvements		
-net of depreciation	28,427	
Furniture and equipment		
-net of depreciation	11,626	
Security deposits	<u>120</u>	
Total fixed and other assets		<u>40,173</u>
Total assets		<u>\$ 795,323</u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ <u>69,475</u>	
Total current liabilities		\$ 69,475
Net assets		
Unrestricted net assets	334,848	
Temporarily restricted net assets	<u>391,000</u>	
Total net assets		<u>725,848</u>
Total liabilities and net assets		<u>\$ 795,323</u>

See notes to financial statements

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

**FOOTSTEPS, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**INCOME**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Contributions	\$ 978,566	\$ 226,185	\$ 1,204,751
Net assets released from restrictions	507,685	( 507,685)	0
Program service fees	6,862	—	6,862
Miscellaneous income	1,619	—	1,619
Total income	1,494,732	( 281,500)	1,213,232

**EXPENSES**

Program services	\$ 1,085,510	—	\$ 1,085,510
General and administrative expenses	96,502	—	96,502
Fund raising	236,886	—	236,886
Total expenses	1,418,898	—	1,418,898
Change in net assets	75,834	( 281,500)	( 205,666)
Net assets – October 1, 2015	<u>\$ 259,014</u>	<u>672,500</u>	<u>\$ 931,514</u>
Net assets – September 30, 2016	<u>334,848</u>	<u>391,000</u>	<u>725,848</u>

See notes to financial statements

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

**FOOTSTEPS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Cash provided internally:

Change in net assets	\$( 205,666)	
Depreciation	<u>11,612</u>	\$( 194,054)

Changes in working capital:

Contributions receivable	212,500	
Prepaid expenses	931	
Accounts payable	<u>38,644</u>	<u>252,075</u>

Total cash provided internally		58,021
--------------------------------	--	--------

Investing Activities:

Acquisition of assets	<u>( 1,999)</u>	
-----------------------	-----------------	--

Net cash used by investing activities		<u>( 1,999)</u>
---------------------------------------	--	-----------------

Increase in cash		56,022
------------------	--	--------

Cash balance – October 1, 2015		<u>346,576</u>
--------------------------------	--	----------------

Cash balance – September 30, 2016		<u>\$ 402,598</u>
-----------------------------------	--	-------------------

See notes to financial statements

**SANFORD GALINSKY**  
 CERTIFIED PUBLIC ACCOUNTANT

**FOOTSTEPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**NOTE 1 THE ORGANIZATION**

Footsteps, Inc. (Footsteps) was incorporated in 2003 as a not-for-profit corporation under the General Corporation Law of the State of New York. Footsteps was organized to provide educational, vocational, social and emotional support to those seeking to enter or explore the world beyond the ultra-orthodox communities in which they were raised.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Policies**

The financial statements of Footsteps have been prepared on the accrual basis of accounting.

**Support**

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other Assets are reported as restricted support if they are received with donor Stipulations that limit the use of donated assets, or if they are designated as Support for future periods. When a donor restriction expires, that is, when a Stipulated time restriction ends or the purpose of the restriction is accomplished, Temporarily restricted net assets are reclassified to unrestricted net assets and Reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit Donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used And gifts of cash or other assets that must be used to acquire long-lived assets are Reported as restricted support. In the absence of explicit donor stipulations about How long those long-lived assets must be maintained, Footsteps reports Expirations of donor restrictions when the donated or acquitted long-lived assets are placed in service.

**FOOTSTEPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**NOTE 2    SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Net Assets**

Net assets are classified as follows:

Unrestricted – This class includes net assets from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily Restricted – This class includes net assets from restricted contributions (temporary restrictions) whose donor-imposed restrictions have not been met.

**Fixed Assets**

Equipment is depreciated on a straight-line basis based on the life of the asset.

**NOTE 3    TAX STATUS**

Footsteps has been granted an exemption from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code. For issues pertaining to organizational planning and structure, Footsteps has changed from a calendar year to a fiscal year ending September 30.

**NOTE 4    FIXED AND OTHER ASSETS**

Fixed and other assets as at September 30, 2016:

Furniture and equipment	\$ 40,772
Leasehold improvements	76,351
Security deposits	<u>120</u>
Total fixed and other assets	\$ 117,243
Accumulated depreciation	<u>77,070</u>
Fixed and other assets (net of depreciation)	\$ <u>40,173</u>

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

**FOOTSTEPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**NOTE 5**    **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets represent contributions with donor-imposed restrictions. These contributions are recognized when received and reclassified from temporarily restricted net assets to unrestricted net assets when the donor's restriction is satisfied. As of September 30, 2016, the balance of temporarily restricted net assets is \$391,000.

**NOTE 6**    **COMMITMENTS AND CONTINGENCIES**

The management of Footsteps has advised us that they are not involved in any litigation.

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT

445 EAST 86TH STREET #6B  
NEW YORK, NY 10028

TEL: 212-860-5484  
FAX: 212-369-6303

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

To The Board of Directors  
Footsteps, Inc.  
New York, New York 10012

My report on the audit of the basic financial statements of Footsteps, Inc. as of September 30, 2016 appears on page 1. This audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information presented on the following page is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, I express no opinion on this information.

New York, New York  
June 26, 2017

**SUPPLEMENTAL REPORT**

**FOOTSTEPS, INC.**

**SUPPORTING SCHEDULES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Economic Empowerment</u>	<u>Identity Development</u>	<u>Family Supports</u>	<u>Community Engagement</u>	<u>Management/ General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries/related exp.	\$ 219,721	\$ 132,280	\$ 67,937	\$ 175,711	\$ 51,864	\$ 129,768	\$ 777,281
Professional fees	4,166	13,065	2,542	20,406	22,933	58,860	121,972
Program center	188	4,871	416	15,003	—	—	20,478
Programs/events	1,800	6,397	445	36,915	—	—	45,557
Scholarships	157,287	—	—	—	—	—	157,287
Career fellowships	47,062	—	—	—	—	—	47,062
Partnerships	—	—	43,750	—	—	—	43,750
Marketing/outreach	—	2,833	—	8,544	1,071	3,306	15,754
Occupancy	31,505	27,263	14,242	26,676	5,349	21,050	126,085
Travel/meetings	409	1,687	260	7,023	3,370	10,082	22,831
Equipment/supplies	3,328	3,400	104	—	4,121	2,195	13,148
Printing/stationery	483	617	—	934	1,306	1,165	4,505
Administration	950	1,785	183	2,913	6,451	10,171	22,453
Miscellaneous	176	73	49	111	37	289	735
	<u>\$ 467,075</u>	<u>\$ 194,271</u>	<u>\$ 129,928</u>	<u>\$ 294,236</u>	<u>\$ 96,502</u>	<u>\$ 236,886</u>	<u>\$ 1,418,898</u>

**SANFORD GALINSKY**  
CERTIFIED PUBLIC ACCOUNTANT