

January 3, 2023

To the Board of Directors of
Steps to Success, Inc.
Brookline, MA

We have audited the financial statements of Steps to Success, Inc. for the year ended June 30, 2022, and have issued our report thereon dated January 3, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Steps to Success, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the allocation of salaries and related expenses.

Management's estimate of the allocation of salaries and related expenses is based on job assignments and time studies. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the Auditors' Report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 3, 2023.

Management Consultations with Other Independent Accountants

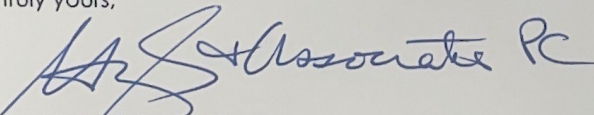
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board of directors and management of Steps to Success, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



GONZALEZ & ASSOCIATES, P.C.
Certified Public Accountants

STOUGHTON, MA

STEPS TO SUCCESS, INC.

Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

STEPS TO SUCCESS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

Table of Contents

	<u>PAGE</u>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13

**GONZALEZ
& ASSOCIATES, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Steps to Success, Inc.
Brookline, MA

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Steps to Success, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 Steps to Success, Inc. as of June 30, 2022, 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.

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 Steps to Success, Inc. 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 Steps to Success, Inc.'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

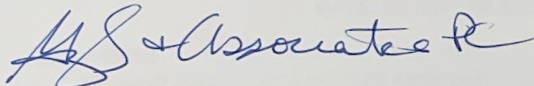
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 Steps to Success, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Steps to Success, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



GONZALEZ, & ASSOCIATES, P.C.
Certified Public Accountants

Stoughton, Massachusetts
January 3, 2023

STEPS TO SUCCESS, INC.

STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2022
 (WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 786,037	\$ 407,499
Accounts receivable	16,135	40,780
Pledges receivable	363,833	42,500
Prepaid expenses	6,013	4,926
Investments	130,469	145,814
Total current assets	<u>1,302,487</u>	<u>641,519</u>
<u>Fixed Assets</u>		
Furniture & equipment	21,322	18,181
Less: accumulated depreciation	(15,748)	(12,526)
Total furniture and equipment	<u>5,574</u>	<u>5,655</u>
<u>Total Assets</u>	<u>\$ 1,308,061</u>	<u>\$ 647,174</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable and accrued expenses	\$ 22,089	\$ 19,994
Accrued payroll and related expenses	38,888	41,876
Total current liabilities	<u>60,977</u>	<u>61,870</u>
<u>Net Assets</u>		
Without donor restrictions	628,771	302,434
With donor restrictions	618,313	282,870
Total net assets	<u>1,247,084</u>	<u>585,304</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 1,308,061</u>	<u>\$ 647,174</u>

See accompanying notes and Independent Auditors' Report.

STEPS TO SUCCESS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Support and Revenue</u>				
Contributions and grants	\$ 480,254	\$ 674,400	\$ 1,154,654	\$ 593,312
Released from restrictions	338,957	(338,957)		
Special events	211,901		211,901	177,218
Contracts	203,330		203,330	230,939
In-kind donations	50,000		50,000	50,000
Interest and dividend income	106		106	2,096
Unrealized gain (loss) on investments	(13,603)		(13,603)	43,985
<u>Total Support and Revenue</u>	<u>1,270,945</u>	<u>335,443</u>	<u>1,606,388</u>	<u>1,097,550</u>
<u>Expenses</u>				
Program services	673,060		673,060	542,624
General and administrative	169,624		169,624	158,049
Fundraising	101,924		101,924	166,210
<u>Total Expenses</u>	<u>944,608</u>		<u>944,608</u>	<u>866,883</u>
<u>Change in Net Assets</u>	<u>326,337</u>	<u>335,443</u>	<u>661,780</u>	<u>230,667</u>
<u>Net Assets - Beginning of Year</u>	<u>302,434</u>	<u>282,870</u>	<u>585,304</u>	<u>354,637</u>
<u>Net Assets - End of Year</u>	<u>\$ 628,771</u>	<u>\$ 618,313</u>	<u>\$ 1,247,084</u>	<u>\$ 585,304</u>

See accompanying notes and Independent Auditors' Report.

STEPS TO SUCCESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021	
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries	\$ 452,610	\$ 86,931	\$	\$ 539,541	\$ 452,367
Fringe benefits	38,886	7,407		46,293	28,652
Payroll taxes	29,272	5,576		34,848	41,321
Total salaries and related expenses	520,768	99,914		620,682	522,340
Administrative fees		1,163		1,163	1,151
Bank charges		13,368		13,368	7,402
Consultants	28,148	344	49,440	77,932	126,841
Depreciation	2,706	516		3,222	3,410
Direct mailing expenses			9,246	9,246	6,102
Fundraising			550	550	1,172
In-kind rent	42,000	8,000		50,000	50,000
Insurance	7,041	1,341		8,382	8,490
Office expense		4,418		4,418	5,975
Payroll processing fees		1,236		1,236	1,104
Postage	1,960	1,085		3,045	3,438
Printing		806		806	2,605
Professional fees		37,433		37,433	43,687
Program expenses	39,968			39,968	40,232
Program supplies	12,166			12,166	9,918
Special event			36,953	36,953	424
Stipends	17,923			17,923	25,865
Telephone and internet	38			38	38
Travel	342			342	5
Website & software subscriptions			5,735	5,735	6,684
Total	<u>\$ 673,060</u>	<u>\$ 169,624</u>	<u>\$ 101,924</u>	<u>\$ 944,608</u>	<u>\$ 866,883</u>

See accompanying notes and Independent Auditors' Report.

STEPS TO SUCCESS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 661,780	\$ 230,667
Adjustment to reconcile change in net assets to cash provided (used) by operations:		
Depreciation	3,222	3,410
Unrealized (gain) loss on investments	13,603	(43,985)
(Increase) decrease in:		
Accounts receivable	24,645	(1,826)
Pledges receivable	(321,333)	(7,500)
Prepaid expenses	(1,087)	975
Increase (decrease) in:		
Accounts payable and accrued expenses	2,095	(2,789)
Accrued payroll and related expenses	(2,988)	1,826
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>379,937</u>	<u>180,778</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of fixed assets	(3,141)	(6,786)
Purchase of investments		(1,938)
Sale of investments	1,742	15,019
<u>Net Cash (Used) Provided by Investing Activities</u>	<u>(1,399)</u>	<u>6,295</u>
<u>Cash Flows From Financing Activities</u>		
Forgiveness of loan	0	(98,598)
<u>Net Cash Provided (Used) by Financing Activities</u>	<u>0</u>	<u>(98,598)</u>
<u>Increase in Cash and Cash Equivalents</u>	378,538	88,475
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>407,499</u>	<u>319,024</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 786,037</u>	<u>\$ 407,499</u>

See accompanying notes and Independent Auditors' Report.

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1. Organization

Steps to Success, Inc., was organized in the Commonwealth of Massachusetts as a not-for-profit corporation in July, 2014. The stated purpose of the Organization is to promote equity for students from low-income families in Brookline by expanding their horizons, building upon their skills, and supporting their educational journey in order to maximize their life choices.

Founded in 2001, the mission of Steps to Success, Inc. (STS) is to promote equity for Brookline's students from low-income families by expanding their horizons, building upon their skills, and supporting their educational journey in order to maximize their life choices. Together with our lead partners, the Public Schools of Brookline (PSB) and Brookline Housing Authority (BHA), STS tackles the seemingly intractable opportunity gap between low-income students and their higher-income peers.

STS helps students living in Brookline's public housing units thrive academically in grade school, matriculate in college, and obtain a college degree. STS has served more than 4,000 students to date, through out of school time programs such as afterschool, vacation programs and camp access, career readiness through paid internships and workshops, and college success through advising, mentoring, and financial aid access. In the past decade, STS has eliminated the college matriculation gap between low- and high-income Brookline students. Because of the long-term investment in our students, both in and out of school, 89% of Steps to Success students are on track to graduate from college within 6 years, versus 11% of low-income students nationwide.

In FY19, STS invested more heavily in capacity-building projects for the organization, including developing its first ever strategic plan, a development plan and stronger financial reporting, and a new student database. These one-time investments help chart the next three years for Steps to Success, Inc., including organizational goals, a fundraising plan to achieve long-term sustainability, and a database that allows for improved outcomes tracking.

Notwithstanding the extraordinary challenges presented by COVID, the assistance through the PPP in late 2020 and partnerships across the Town enabled Steps to continue to bear the financial costs of the pandemic and continue to provide services to students and their families. FY21 saw increased investment in programming and development in order to sustain long-term viability and growth.

Note 2. Summary of Significant Accounting and Reporting

- a. Standards of Accounting and Reporting
The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations".
- b. Basis of presentation
The financial statements of Steps to Success, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Steps to Success, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 2. Summary of Significant Accounting and Reporting (Continued)

b. Basis of presentation (continued)

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Steps to Success, Inc.'s management and the board of directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Steps to Success, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

c. Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick, and personal days off, depending on their job classifications. None of these benefits vest, therefore, vacation and sick leave are expensed as incurred.

d. Cash and Cash Equivalents

For purposes of the statements of cash flows, Steps to Success, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

e. Use of Estimates

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

f. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 2. Summary of Significant Accounting and Reporting (Continued)

- g. Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. 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 statements of activities as net assets released from restrictions.
- h. Functional Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits, payroll taxes, insurance, in-kind rent, and depreciation, which are allocated on the basis of estimates of time and effort.
- i. Property and Equipment
These assets are recorded at cost, when purchased or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.
- j. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. Equipment is being depreciated over five years.
- k. Fair Value
The Organization follows the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820 "Fair Value Measurements and Disclosures", for assets and liabilities that are measured at fair value on a recurring basis, and to determine fair value disclosures. The standard defines fair value and it establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The standard applies to certain other existing pronouncements that require or permit fair value measurements. It does not establish or change any existing requirements for fair value accounting.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as:

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 2. Summary of Significant Accounting and Reporting (Continued)

k. Fair Value (continued)

- Level 1 – Observable inputs such as quoted prices in active markets.
- Level 2 – Inputs other than Level 1 inputs that are observable, whether directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable markets.
- Level 3 – Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions and are significant to the fair measurement.

The Organization's investments are valued based on Level 1 inputs within the fair value hierarchy.

l. Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021 from which the summarized information was derived.

m. Reclassification

Certain amounts in the prior period financials have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net loss but provide a more appropriate presentation of the financial statements of the organization.

Note 3. Tax Status

Steps to Success, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Note 4. Concentrations of Credit Risk

The Organization has cash deposits in financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2022, the Organization's uninsured cash balances totaled \$499,270.

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 5. Availability and Liquidity

The following represents Steps to Success, Inc.'s financial assets at June 30, 2022 and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 786,037	\$ 407,499
Accounts receivable	16,135	40,780
Pledges receivable	363,833	42,500
Investments	<u>130,469</u>	<u>145,814</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,296,474</u>	<u>\$ 636,593</u>

Steps to Success, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$236,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient support and revenue to cover general expenditures not covered by donor-restricted resources.

Note 6. Pledges Receivable

Pledges receivable in the amount of \$363,833 were due to the Organization at year end and are expected to be received in less than one year.

Note 7. Investments

Steps to Success, Inc. maintains an investment account. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization. Equities held at the brokerage are insured up to \$500,000 by the SIPC. Investments are carried at quoted market values as summarized below:

	Cost	FMV
Mutual Funds	<u>\$ 144,072</u>	<u>\$ 130,469</u>
Total	<u>\$ 144,072</u>	<u>\$ 130,469</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year:

Interest and dividends	\$ 0
Net unrealized gains	<u>(13,603)</u>
Net investment income	<u>\$ (13,603)</u>

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 8. Contributions In-kind

The Public Schools of Brookline provides in-kind space for completing the mission and work of Steps to Success, Inc. The Organization has recorded in-kind revenue and expense, based on the estimated fair value of the space provided. This in-kind space totaled \$50,000 for each year ended June 30, 2022 and 2021.

Note 9. Deferred Payroll Tax

The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) allows employers to defer the deposit and payment of the employer's share of Social Security taxes and self-employed individuals to defer payment of certain self-employment taxes.

Steps to Success, Inc. has deferred payroll taxes in the amount of \$11,391 at June 30, 2022. The total is expected to be paid in fiscal year 2023 and is included in accrued payroll on the statement of financial position.

Note 10. Net Assets

Net assets with donor restrictions were as follows for the years ended June 30, 2022 and 2021:

Specific Purpose	2022	2021
College Success Initiative	\$ 5,000	\$
Extended Learning Program	30,000	15,000
Fundraising Capacity Building		14,557
Safety Net Program		5,000
K-3	205,000	5,000
Step Up Celebration		20,000
Jim Fitzgibbons Fund	145,813	145,813
Post-Secondary Success	50,000	35,000
Passage of Time		
Pledges receivable	182,500	42,500
Total	<u>\$ 618,313</u>	<u>\$ 282,870</u>

STEPS TO SUCCESS, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 10. Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Satisfaction of Purpose Restrictions		
Afterschool Program	\$ 15,000	\$
College Bound Book Award	10,000	
College Success Initiative	43,000	75,500
Cradle to Career		22,500
Development Capacity Building	12,722	37,278
Extended Learning Program	7,500	10,000
Fundraising Capacity Building	1,835	25,677
K-3	35,000	
Outdoor Education Program	8,000	
Safety Net Program	5,000	
Step Up Celebration		10,000
STEM Learning Program	10,000	
Step Up Celebration	20,000	
Student Support Fund	5,000	
Summer Programs	65,900	25,000
Third Grade Expansion	75,000	
Satisfaction of Time Restrictions		
Pledges receivable	25,000	22,500
Total	<u>\$ 338,957</u>	<u>\$ 228,455</u>

Note 11. Retirement Plan

The Organization maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA) to which eligible employees may elect to make contributions under salary reduction agreements. For those employees electing to participate, the Organization makes matching contributions on behalf of the participant of up to 3% of compensation for employees after one year of service and 1% of compensation for employees who have less than one year of service. Employees are qualified to participate in the Plan if they are at least twenty-one years of age and have or will earn more than \$5,000 within the year. Matching contributions are made based on the organizations performance each year. Matching contributions for the year ended 2022 and 2021 totaled \$11,789 and \$10,529, respectively.

Note 12. Date of Management's Review

Subsequent events were evaluated through January 3, 2023, which is the date the financial statements were available to be issued.