



TENNESSEE
Hamblen County
SERVICE • COMMUNITY • INDUSTRY
FINANCE DEPARTMENT

February 11, 2025

Stepping Out, Inc.
Attn: Laura Moore / director@steppingoutinc.org
3441 W Andrew Johnson HWY
Morristown, TN 37814

We have begun the 2025-2026 budget process. In order to be considered for a contribution from Hamblen County, we are requesting certain information from your organization in accordance with Section 5-9-109, *Tennessee Code Annotated (TCA)*.

This year, we are requesting that your documents be submitted electronically to the Finance Department at the following email addresses:

Amanda Hale - ahale@co.hamblen.tn.us
Dennis Fox - dfox@co.hamblen.tn.us

Please provide the following items electronically:

- 1) proof of 501(c)(3), 501(c)(4), or 501(c)(6) IRS tax status,
Please note this is a letter from the IRS, not a letter of sales tax exemption from the Tennessee Department of Revenue
- 2) your organization's most current audit or annual report detailing all receipts and expenditures, and
- 3) your organization's most current budget.

Please note that in accordance with State law, the above requested information must be submitted and on file. Noncompliance with this request may prevent your organization from receiving funds. Please understand that this letter does not guarantee that you will receive a contribution. Any contribution requires county commission approval. You may be asked to appear before the Budget Committee on **Saturday, May 17, 2025**, to explain your request. The Finance Department will notify you if the Budget Committee wants to hear from you.

Please return a copy of this letter along with the requested information above to the Hamblen County Mayor's office by **Monday, March 17, 2025**. If you have any questions, please feel free to contact me.

Sincerely,



Amanda Hale
Hamblen County Finance Director

General Fund - 2024-2025
Contribution:

\$0

Amanda Hale, Finance Director

511 West Second North Street • Morristown, TN 37814 • *office*. 423.586.1931 • *fax*. 423.585.4699

www.HamblenCountyTN.gov • *email*. ahale@co.hamblen.tn.us

Amanda Hale

From: Laura Moore <director@steppingoutinc.org>
Sent: Thursday, February 13, 2025 10:38 AM
To: Amanda Hale; Dennis Fox
Subject: FY2025-2026 Non-Profit funding request
Attachments: IRS 501c3 letter.pdf; Audit 2023.pdf; Budget Proposal 2025.pdf; Stepping Out, Inc..pdf

CAUTION: This email message originated from outside of Hamblen County Government. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Amanda,

Stepping Out is requesting 10,000 from the County to support our Step's program and mission of "Guiding people to a better life" Attached is the information requested to be considered for a contribution. I will also plan to attend the budget workshop on May 17th. Thank you for forwarding me that information.

Please let me know if you have any questions or if any other documents are needed.

Thank you,
Laura Moore

Laura Moore
Stepping Out, Inc.
Executive Director
[423-318-0999](tel:423-318-0999) (work)
[304-784-1932](tel:304-784-1932) (mobile)
www.steppingoutinc.org



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INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **APR 28 2005**

STEPPING OUT INC
PO BOX 3405
MORRISTOWN, TN 37815-3405

Employer Identification Number:
62-1805992
DLN:
17053050759015
Contact Person:
EDWARD J POMERANTZ ID# 31326
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated APRIL, 2000, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

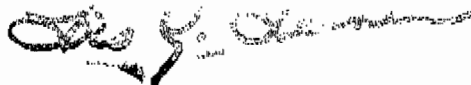
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:30 a.m. - 5:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)

Internal Revenue Service
Director, EO Rulings & Agreements
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Employer Identification Number:
62-1805992
Document Locator Number:
17053-050-75901-5
Toll Free Number: 877-829-5500
FAX Number: 513-263-3756

Date: March 1, 2005

STEPPING OUT INC
PO BOX 3405
MORRISTOWN, TN 37815

Acknowledgement of Your Request

We received your Form 8734, Support Schedule for Your Advance Ruling, or other information regarding your public support status. When communicating with us, please refer to the employer identification number and document locator number shown above.

Your tax exempt status under section 501(c)(3) of the Internal Revenue Code remains in effect.

What Happens Next?

The information you submitted was entered into our computer system at our processing center in Covington, Kentucky, and has been sent to our Cincinnati office for initial review. We approve some cases based on this review. If this is the case, you will receive a letter stating that you are a publicly supported organization.

If the review indicates that additional information or changes are necessary, your case will be assigned to an Exempt Organization Specialist in Cincinnati who will call or write you. We assign cases in the order we receive them.

If the additional information indicates that you meet one of the public support tests, you will receive a letter stating that you are a publicly supported organization. If the public support tests are not met, we will send you a letter re-classifying you as a private foundation. That letter will tell you why we believe you do not meet the public support tests, and will include a complete explanation of your appeal rights.

How long will this process take?

Normally, you may expect to hear from us within 120 days. If you do not, you may call our toll free number between the hours of 8:30 a.m. and 5:30 p.m. Eastern Time. Please have your identification numbers available so that we can identify your case. If you would rather write than call, please include a copy of this notice with your correspondence.

STEPPING OUT, INC.							
Profit & Loss Budget Performance 2025							
	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
INCOME							
Designated Income							
Board	2,500.00	-		2,000.00	2,550.00	2,600.00	0%
Nolachucky Baptist	4,700.00	-		4,700.00	5,930.42	3,405.01	0%
Total Desingated Income	7,200.00	-		6,700.00	8,480.42	6,005.01	0%
Donations							
Appeal	4,000.00	-		5,500.00	2,050.00	2,630.00	0%
Legacies & Bequests	-	-		-	-	100.00	#DIV/0!
Partners	13,000.00	-		13,000.00	17,056.65	11,422.44	0%
Total Donations	17,000.00	-		18,500.00	19,106.65	14,152.44	0%
Fund Raiser							
Car Show							
Donation	1,000.00	-		1,000.00	980.00	1,128.00	0%
Entry Fee	1,500.00	-		1,000.00	1,120.00	1,090.00	0%
Silent Auction	2,000.00	-		1,000.00	1,699.75	1,142.13	0%
Sponsors	-	-		500.00	-	800.00	#DIV/0!
T-shirt Sales	-	-			-	352.00	#DIV/0!
Vendor Fee	-			-			#DIV/0!
Total Car Show	4,500.00	-		3,500.00	3,799.75	4,512.13	0%
Gala							
Donations	7,000.00	-		6,000.00	6,637.99	-	0%
Table Sponsors	10,500.00	-		8,000.00	10,321.01	-	0%
Total Gala	17,500.00	-		14,000.00	16,959.00	-	0%
Memorial CrossFit							
Sponsors	-	-		-	2,000.00	2,500.00	#DIV/0!
T-Shirt Sales	2,000.00	-		-	2,100.00	1,762.00	0%

	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
Total Memorial CrossFit	2,000.00	-		-	4,100.00	4,262.00	0%
							#DIV/0!
Turkey Trot 5k							
Registration Fee	5,000.00	-		3,500.00	6,164.40	1,948.80	0%
Sponsors	10,000.00	-		10,000.00	7,900.00	8,100.00	0%
Donations	-	-		-	410.00	300.00	#DIV/0!
Vendor Fee	-	-		-	45.00	-	#DIV/0!
Total Turkey Trot 5k	15,000.00	-		13,500.00	14,519.40	10,348.80	0%
Other							
Amazon Smile	-	-		-	-	52.55	#DIV/0!
Closet	100.00	-		100.00	100.00	69.50	0%
Store	600.00	-		600.00	744.62	603.68	0%
Total Other	700.00	-		700.00	844.62	725.73	0%
Total Fundraiser	39,700.00	-	-	31,700.00	40,222.77	19,848.66	0%
Grants							
Churches	6,000.00	-		5,500.00	5,600.00	5,090.00	0%
Government	5,000.00	-		12,841.28	2,500.00	5,000.00	0%
Organization / Business	3,413.00	-		1,500.00	3,300.00	1,300.00	0%
United Way	18,156.00	-		18,156.00	18,156.00	18,156.00	0%
Total Grant	32,569.00	-		37,997.28	29,556.00	29,546.00	0%
Miscellaneous Income							
Refunds / Reimbursed Expense	-	-		-	537.50	226.91	#DIV/0!
Savings Interest	3,500.00	-		1.00	2,775.85	7.46	0%
Total Miscellaneous Income	3,500.00	-		1.00	3,313.35	234.37	0%
Programs							
A.P.T.	18,500.00	-		16,000.00	18,361.00	24,176.64	0%
Anger Management	15,500.00	-		18,518.56	15,146.00	26,156.81	0%
Bible Study Courses	5,000.00	-		-	1,305.00	8,325.00	0%

	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
Dollars & Sense	2,000.00	-		2,000.00	340.00	6,311.00	0%
Parenting	8,000.00	-		12,000.00	10,439.00	14,440.00	0%
Recovery Support	1,500.00	-		2,500.00	1,752.00	3,021.00	0%
Renew Your Mind	1,000.00	-		-	176.00	1,935.00	0%
Spanish Anger Management	1,000.00	-		500.00	559.00	-	0%
Spic-N-Span	8,000.00	-		7,000.00	6,273.00	8,830.00	0%
(WO)MEN	31,000.00	-		23,900.00	29,489.70	30,008.32	0%
Working Wise	9,000.00	-		8,000.00	6,894.00	11,494.00	0%
Total Programs	100,500.00	-		90,418.56	90,734.70	134,697.77	0%
TOTAL INCOME	200,469.00	-		185,316.84	191,413.89	204,484.25	0%
EXPENSES							
Annual Fees							
Admin. (PO Box/Saftey Box, etc)	546.40	-		540.40	546.40	1,590.40	0%
Computer / Cloud / Spy Ware	922.73	-		1,634.33	1,616.34	1,166.96	0%
Dues / Membership	429.99	-		579.99	429.99	779.99	0%
Government	240.92	-		240.92	50.92	130.46	0%
Total Annual Fee	2,140.04	-		2,995.64	2,643.65	3,667.81	0%
Awards / Plaques	200.00	-		200.00	21.00	-	0%
Banking							
Bank Serivce Charge / NSF	-	-		-	16.00	32.36	#DIV/0!
Credit Card Processing Fees	-	-		-	175.35	129.05	#DIV/0!
Total Banking	-	-		-	191.35	161.41	#DIV/0!
Benevolence	4,306.00	-		5,020.00	4,820.30	2,937.00	0%
Board of Directors (Committees)							

	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
Supplies (shirts/name tags/etc)	500.00	-		500.00	255.29	-	0%
Annual Meeting	500.00	-		500.00	261.37	-	0%
Total Board of Directors	1,000.00	-		1,000.00	516.66	-	0%
Conferences / Trainings							
Mileage	1,000.00	-		2,000.00	1,439.05	537.68	0%
Registration Fee	1,274.60	-		3,600.00	50.00	850.15	0%
Total Conferences / Trainings	2,274.60	-		5,600.00	1,489.05	1,387.83	0%
Contract Labor	6,000.00	-		4,000.00	5,950.00	4,000.00	0%
Food							
Business Meeting	300.00	-		300.00	-	-	0%
Workers Lunch	500.00	-		500.00	242.49	344.07	0%
Total Food	800.00	-		800.00	242.49	344.07	0%
Fund Rasing Expense							
Car Show							
Marketing	300.00	-		150.00	295.00	135.00	0%
Supplies	300.00	-		300.00	210.67	39.74	0%
Trophies	300.00	-		-	250.00	-	0%
T-shirts	-	-		-	-	385.85	#DIV/0!
Total Car Show Expense	900.00	-		450.00	755.67	560.59	0%
Memorial CrossFit	1,200.00	-		-	1,074.00	944.00	0%
Turkey Trot 5k							
Marketing	1,200.00	-		1,000.00	803.58	490.00	0%
Supplies / Timing Machine	3,000.00	-		2,800.00	2,863.54	2,562.85	0%
Total 5k Expense	4,200.00	-		3,800.00	3,667.12	3,052.85	0%
Gala							

	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
Food	4,300.00	-		4,300.00	3,863.32	-	0%
Printing	40.00	-		40.00	40.00	-	0%
Rent	800.00	-		670.00	550.00	-	0%
Marketing	200.00	-		-	-	-	0%
Supplies	1,000.00	-		1,000.00	876.00	64.80	0%
Total Gala Expense	6,340.00	-		6,010.00	5,329.32	64.80	0%
Total Fund Raising Expense	12,640.00	-		10,260.00	10,826.11	4,622.24	0%
Insurance							
Directors/Officers	917.00	-		917.00	917.00	917.00	0%
Liability	715.00	-		711.00	715.00	711.00	0%
Volunteers	275.00	-		220.00	275.00	220.00	0%
Worker's Comp	500.00	-		500.00	500.00	500.00	0%
Total Insurance	2,407.00	-		2,348.00	2,407.00	2,348.00	0%
Maintenance	2,000.00	-		1,500.00	1,898.06	1,121.26	0%
Marketing							
Bill Board	2,000.00	-		2,000.00	-	-	0%
Shirts	500.00	-		1,000.00	-	-	0%
Total Marketing	2,500.00	-		3,000.00	-	-	0%
Miscellaneous	-	-		-	-	-	#DIV/0!
Office Supplies	1,500.00	-		1,500.00	1,105.31	1,324.03	0%
Payroll Expenses							
Bonus	2,000.00	-		1,700.00	6,000.00	10,000.00	0%
QuickBooks Payroll	395.16	-		-	-	-	0%
Taxes	8,823.20	-		8,282.20	8,146.64	7,065.04	0%
Unemployment Benefits	-	-		-	-	-	#DIV/0!

		2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
	Wages	115,336.00	-		108,264.00	102,991.75	84,353.50	0%
	Total Payroll	126,554.36	-		118,246.20	117,138.39	101,418.54	0%
	Postage and Delivery	750.00	-		750.00	959.65	733.68	0%
	Program Expense							
	APT							
	Supplies	200.00	-		200.00	-	42.24	0%
	Work Books	500.00	-		500.00	145.36	194.75	0%
	Total APT	700.00	-		700.00	145.36	236.99	0%
	STEPS							
	Contracted Labor	3,900.00	-		3,900.00	2,650.00	2,375.00	0%
	Marketing	800.00	-		500.00	595.31	294.98	0%
	Work Books	500.00	-		500.00	120.36	1,140.85	0%
	Total STEPS	5,200.00	-		4,900.00	3,365.67	3,810.83	0%
	(WO)MEN							
	Contracted Labor	8,450.00	-		7,800.00	4,850.00	4,325.00	0%
	Hotel	300.00	-		-	299.68	-	0%
	Mileage / Food	850.00	-		-	848.04	-	0%
	Total (WO)MEN	9,600.00	-		7,800.00	5,997.72	4,325.00	0%
	Other							
	Background / Fingerprinting	40.00	-		40.00	-	-	0%
	Mileage	2,000.00	-					
	Training Registration/Materials	3,200.00	-		-	1,826.46	-	0%
	Total Other	5,240.00	-		40.00	1,826.46	-	0%
	Working Wise							
	Workbooks	500.00	-		500.00	229.92	189.88	0%

	2025 Proposed Budget	2025 Year To Date	2025 YTD Budget	2024 Approved Budget	2024 Actual	2023 Actual	% Of Budget
Total Working Wise	500.00	-		500.00	229.92	189.88	0%
Total Program Expense	21,240.00	-		13,940.00	11,565.13	8,562.70	0%
Utilities							
Electric	12,500.00	-		12,500.00	14,029.43	10,733.53	0%
Fiber Net	1,657.00	-		1,657.00	1,656.48	1,656.67	0%
Total Utilities	14,157.00	-		14,157.00	15,685.91	12,390.20	0%
TOTAL EXPENSES	200,469.00	-		185,316.84	177,460.06	145,018.77	0%
TOTAL INCOME	200,469.00	-		185,316.84	191,413.89	204,484.25	0%
BALANCE	0.00	-		0.00	13,953.83	59,465.48	

STEPPING OUT, INC.
FINANCIAL STATEMENTS
December 31, 2023

STEPPING OUT, INC.
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December 31, 2023

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STEPPING OUT, INC.
SCHEDULE OF OFFICERS AND DIRECTORS
December 31, 2023

Name	Title
Laura Moore	Executive Director
Lori Jarnigan	Assistant Director
Parrish Vaughn	Chairman
Bob Fair	Vice Chairman
Steve Dalton	Treasurer
Lisa Grooms	Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Stepping Out, Inc.

Opinion

I have audited the accompanying financial statements of Stepping Out, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stepping Out, Inc. as of December 31, 2023, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Stepping Out, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Stepping Out, 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

My 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 my 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, I:

- 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 Stepping Out, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stepping Out, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Officers and Directors but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

A handwritten signature in cursive script that reads "David M. Ellis".

David M. Ellis, CPA
Greeneville, Tennessee
April 22, 2024

STEPPING OUT, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS	
Cash and Cash Equivalents	\$ 124,119
Cash Designated for Future Programs	103,127
Accounts Receivable	2,845
Inventory	<u>5,136</u>
Total Assets	<u><u>\$ 235,227</u></u>
LIABILITIES	
Payroll Taxes Payable	<u>1,403</u>
Total Liabilities	<u>1,403</u>
NET ASSETS	
Without Donor Restrictions:	
Designated by the Board for Programming	103,127
Undesignated	<u>130,697</u>
Total Net Assets	<u>233,824</u>
Total Liabilities and Net Assets	<u><u>\$ 235,227</u></u>

The accompanying notes are an integral part of the financial statements.

STEPPING OUT, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 43,698	\$ 6,005	\$ 49,703
Fundraising	20,949	-	20,949
In-Kind Contributions	42,979	-	42,979
Miscellaneous	234	-	234
Product Sales	385	-	385
Program Income	134,563	-	134,563
Grant	-	-	-
Net Assets Released from Restrictions	6,005	(6,005)	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	248,813	-	248,813
EXPENSES			
Program	46,342	-	46,342
Management & General	136,961	-	136,961
Fund-raising	4,622	-	4,622
	<hr/>	<hr/>	<hr/>
Total Expenses	187,925	-	187,925
OTHER INCOME/(EXPENSE)			
Gain/(Loss) on Disposal of Asset	(19)	-	(19)
	<hr/>	<hr/>	<hr/>
Total Other Income/(Expenses)	(19)	-	(19)
Change in Net Assets	60,869	-	60,869
NET ASSETS - Beginning of Year	172,955	-	172,955
	<hr/>	<hr/>	<hr/>
NET ASSETS - End of Year	<u>\$ 233,824</u>	<u>\$ -</u>	<u>\$ 233,824</u>

The accompanying notes are an integral part of the financial statements.

STEPPING OUT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	<u>Program</u>	<u>Management & General</u>	<u>Fund-raising</u>	<u>Total</u>
Compensation of Officers/Directors	\$ -	\$ 57,259	\$ -	\$ 57,259
Other Salaries & Wages	35,094	-	-	35,094
Other Employee Benefits	-	2,000	-	2,000
Payroll Taxes	2,685	4,380	-	7,065
Advertising & Promotion	295	-	625	920
Conferences, Conventions, & Meetings	-	1,388	-	1,388
Contract Labor	6,700	4,000	-	10,700
Depreciation	-	38	-	38
Dues & Publications	-	3,668	-	3,668
Insurance	-	2,348	-	2,348
Maintenance	-	1,121	-	1,121
Miscellaneous	-	344	-	344
Occupancy	-	54,390	-	54,390
Office Expense	-	3,088	-	3,088
Program	1,568	2,937	-	4,505
Fundraiser Supplies	-	-	3,997	3,997
	<u>\$ 46,342</u>	<u>\$ 136,961</u>	<u>\$ 4,622</u>	<u>\$ 187,925</u>

The accompanying notes are an integral part of the financial statements.

STEPPING OUT, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 60,869
Unrealized gain/(loss) in investments	\$ (9)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	-
(Increase) Decrease in operating activities:	
Accounts receivable	(965)
Inventory	(385)
Increase (Decrease) in operating liabilities:	
Accounts Payable	-
Payroll taxes payable	180
	<hr/>
Net Cash Flows from Operating Activities	59,690
CASH FLOWS FROM INVESTING ACTIVITIES	
Loss on disposal of asset	57
	<hr/>
Net Cash Flows from Investing Activities	57
Net Increase (Decrease) in Cash and Cash Equivalents	59,747
CASH AND CASH EQUIVALENTS - Beginning of Year	64,372
	<hr/>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 124,119</u></u>

The accompanying notes are an integral part of the financial statements.

STEPPING OUT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Stepping Out, Inc. was incorporated in 1999 with a mission to work with area churches and other civic groups to provide programs for the community. Stepping Out, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

The Organization capitalizes property and equipment over \$350. Lesser amounts are expensed upon possession. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three years for software to forty years for buildings.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventories

Inventories of materials and supplies used for the organization are recorded at the lower of cost or market value on a first-in first-out cost flow assumption/

NOTE 2 – RESTRICTION ON NET ASSETS

During the year, Stepping Out, Inc. received \$6,005 in donor restricted contributions for special events and ministries. This amount increased beginning net assets with donor restrictions. During the current year \$6,005 was released from restriction leaving a balance of \$0 in net assets with donor restrictions.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture & Equipment	2,516
Accumulated depreciation	<u>(2,516)</u>
	<u>\$ -</u>

Depreciation charged to expense this year amounted to \$0.

NOTE 4 – ADVERTISING

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising and promotion are expensed as incurred. During 2023, these costs totaled \$920.

NOTE 5 – IN-KIND CONTRIBUTIONS

The Organization may receive services, equipment, facility and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation. For the 2023 fiscal year, the Organization recorded one in-kind contribution for building rental totaling \$42,000.

NOTE 6 – UNCERTAIN TAX POSITIONS

The Organization follows the FASB *Accounting Standards Codification* which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. As of December 31, 2023, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the Organization's financial statements.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date. All are available to meet general obligations within one year, which are estimated to consist of operations expenses.

Financial assets at year-end:	
Cash	\$ 227,246
Accounts Receivable	<u>2,845</u>
Total financial assets	230,091
 Internal designations	 <u>(103,127)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 126,964</u>

NOTE 8 – RESTRICTED CASH

The Organization has four bank accounts in addition to their designated fund account – a “restricted” account which contains cash from donor-restricted programs as well as Board-designated programs and had a balance of \$103,127 at year-end.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 4, 2024, the date which the financial statements were available to be issued.