



Financial Statements  
and  
Independent Auditors' Report



June 30, 2025 and 2024

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## Independent Auditors' Report

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Board of Directors  
StepStone, Inc.

### Opinion

We have audited the financial statements of StepStone, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of StepStone, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of StepStone, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 StepStone, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

## **Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 StepStone, 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 StepStone, 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.

*Heber, Eck & Broeckel LLP*

Springfield, Illinois  
March 3, 2026

**StepStone, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30**

|                                         | <b>2025</b>         | <b>2024</b>       |
|-----------------------------------------|---------------------|-------------------|
| <b>ASSETS</b>                           |                     |                   |
| Cash                                    | \$ 245,917          | \$ 29,722         |
| Receivables                             |                     |                   |
| Related party                           | 52,877              | 111,094           |
| Other                                   | 67,535              | 29,456            |
| Interest receivable                     | 2,250               | 2,250             |
| Managing member loan receivable         | 175,000             | 175,000           |
| Investments                             | 308,855             | 273,578           |
| Prepaid expense                         | 23,961              | 8,545             |
| Property and equipment, net             | 136,905             | 153,766           |
| <b>Total assets</b>                     | <b>\$ 1,013,300</b> | <b>\$ 783,411</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                     |                   |
| <b>LIABILITIES</b>                      |                     |                   |
| Accounts payable                        |                     |                   |
| Related party                           | \$ 5,905            | \$ 61,339         |
| Other                                   | 13,405              | 15,120            |
| Accrued liabilities                     | 58,436              | 35,325            |
| Deferred revenue                        | -                   | 507               |
| <b>Total liabilities</b>                | <b>77,746</b>       | <b>112,291</b>    |
| <b>NET ASSETS</b>                       |                     |                   |
| Without donor restrictions              |                     |                   |
| Undesignated                            | 124,662             | (53,124)          |
| Designated                              | 505,635             | 470,358           |
| With donor restrictions                 | 305,257             | 253,886           |
| <b>Total net assets</b>                 | <b>935,554</b>      | <b>671,120</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 1,013,300</b> | <b>\$ 783,411</b> |

The accompanying notes are an integral part of these statements.

**StepStone, Inc.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year ended June 30, 2025**

|                                        | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With<br/>Donor<br/>Restrictions</b> | <b>Total</b>      |
|----------------------------------------|-------------------------------------------|----------------------------------------|-------------------|
| <b>Support and revenue</b>             |                                           |                                        |                   |
| Contributions                          | \$ 142,391                                | \$ 12,890                              | \$ 155,281        |
| Contributed services                   | 11,537                                    | 1,306                                  | 12,843            |
| Contributed rent                       | 10,800                                    | -                                      | 10,800            |
| Grants                                 | 6,500                                     | 1,210,632                              | 1,217,132         |
| Rental and other income                | 16,780                                    | -                                      | 16,780            |
| Net assets released from restrictions  | 1,173,457                                 | (1,173,457)                            | -                 |
| <b>Total support and revenue</b>       | <b>1,361,465</b>                          | <b>51,371</b>                          | <b>1,412,836</b>  |
| <b>Expenses</b>                        |                                           |                                        |                   |
| Program services                       | 903,592                                   | -                                      | 903,592           |
| Management and general                 | 168,809                                   | -                                      | 168,809           |
| Fundraising                            | 113,483                                   | -                                      | 113,483           |
| <b>Total expenses</b>                  | <b>1,185,884</b>                          | <b>-</b>                               | <b>1,185,884</b>  |
| Excess of revenue over expenses        | 175,581                                   | 51,371                                 | 226,952           |
| <b>Investment income</b>               |                                           |                                        |                   |
| Interest income                        | 8,339                                     | -                                      | 8,339             |
| Net realized gain on investments       | 2,154                                     | -                                      | 2,154             |
| Net unrealized gain on investments     | 28,399                                    | -                                      | 28,399            |
| Investment fees                        | (1,410)                                   | -                                      | (1,410)           |
| <b>Total investment income</b>         | <b>37,482</b>                             | <b>-</b>                               | <b>37,482</b>     |
| <b>Change in net assets</b>            | <b>213,063</b>                            | <b>51,371</b>                          | <b>264,434</b>    |
| <b>Net assets at beginning of year</b> | <b>417,234</b>                            | <b>253,886</b>                         | <b>671,120</b>    |
| <b>Net assets at end of year</b>       | <b>\$ 630,297</b>                         | <b>\$ 305,257</b>                      | <b>\$ 935,554</b> |

**StepStone, Inc.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year ended June 30, 2024**

|                                        | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With<br/>Donor<br/>Restrictions</b> | <b>Total</b>      |
|----------------------------------------|-------------------------------------------|----------------------------------------|-------------------|
| <b>Support and revenue</b>             |                                           |                                        |                   |
| Contributions                          | \$ 136,827                                | \$ 4,615                               | \$ 141,442        |
| Contributed services                   | 17,775                                    | -                                      | 17,775            |
| Contributed rent                       | 10,800                                    | -                                      | 10,800            |
| Grants                                 | 9,925                                     | 659,087                                | 669,012           |
| Rental and other income                | 21,460                                    | -                                      | 21,460            |
| Net assets released from restrictions  | 771,584                                   | (771,584)                              | -                 |
| <b>Total support and revenue</b>       | <b>968,371</b>                            | <b>(107,882)</b>                       | <b>860,489</b>    |
| <b>Expenses</b>                        |                                           |                                        |                   |
| Program services                       | 771,212                                   | -                                      | 771,212           |
| Management and general                 | 196,993                                   | -                                      | 196,993           |
| Fundraising                            | 90,087                                    | -                                      | 90,087            |
| <b>Total expenses</b>                  | <b>1,058,292</b>                          | <b>-</b>                               | <b>1,058,292</b>  |
| Excess of expense over revenue         | (89,921)                                  | (107,882)                              | (197,803)         |
| <b>Investment income (loss)</b>        |                                           |                                        |                   |
| Interest income                        | 12,727                                    | -                                      | 12,727            |
| Net realized loss on investments       | (1,060)                                   | -                                      | (1,060)           |
| Net unrealized gain on investments     | 26,269                                    | -                                      | 26,269            |
| Investment fees                        | (1,533)                                   | -                                      | (1,533)           |
| <b>Total investment income</b>         | <b>36,403</b>                             | <b>-</b>                               | <b>36,403</b>     |
| <b>Change in net assets</b>            | <b>(53,518)</b>                           | <b>(107,882)</b>                       | <b>(161,400)</b>  |
| <b>Net assets at beginning of year</b> | <b>470,752</b>                            | <b>361,768</b>                         | <b>832,520</b>    |
| <b>Net assets at end of year</b>       | <b>\$ 417,234</b>                         | <b>\$ 253,886</b>                      | <b>\$ 671,120</b> |

The accompanying notes are an integral part of these statements.

**StepStone, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30**

|                                                                                                             | <b>2025</b>       | <b>2024</b>      |
|-------------------------------------------------------------------------------------------------------------|-------------------|------------------|
| <b>Cash flows from operating activities</b>                                                                 |                   |                  |
| Change in net assets                                                                                        | \$ 264,434        | \$ (161,400)     |
| <b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</b> |                   |                  |
| Depreciation                                                                                                | 31,002            | 32,784           |
| Net gain on investments                                                                                     | (30,553)          | (25,209)         |
| <b>Change in assets and liabilities</b>                                                                     |                   |                  |
| Decrease in related party receivables                                                                       | 58,217            | 36,049           |
| (Increase) decrease in other receivables, net of credit loss                                                | (38,079)          | 21,388           |
| Increase in interest receivable                                                                             | -                 | (2,250)          |
| (Increase) decrease in prepaid expense                                                                      | (15,416)          | 61               |
| Increase (decrease) in related party payable                                                                | (55,434)          | 52,586           |
| Increase (decrease) in accounts payable                                                                     | (1,715)           | 1,325            |
| Increase in accrued liabilities                                                                             | 23,111            | 1,150            |
| Increase (decrease) in deferred revenue                                                                     | (507)             | 7                |
| <b>Net cash provided by (used in) operating activities</b>                                                  | <b>235,060</b>    | <b>(43,509)</b>  |
| <b>Cash flows from investing activities</b>                                                                 |                   |                  |
| Purchase of investments                                                                                     | (6,135)           | (10,110)         |
| Proceeds from sale of investments                                                                           | 1,411             | 76,533           |
| Purchases of property and equipment                                                                         | (14,141)          | (48,503)         |
| <b>Net cash provided by (used in) investing activities</b>                                                  | <b>(18,865)</b>   | <b>17,920</b>    |
| <b>Net increase (decrease) in cash</b>                                                                      | <b>216,195</b>    | <b>(25,589)</b>  |
| <b>Cash at beginning of year</b>                                                                            | <b>29,722</b>     | <b>55,311</b>    |
| <b>Cash at end of year</b>                                                                                  | <b>\$ 245,917</b> | <b>\$ 29,722</b> |

The accompanying notes are an integral part of these statements.

**StepStone, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2025**

|                               | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>        |
|-------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------|
| Salaries                      | \$ 502,110                  | \$ 51,219                         | \$ 72,725          | \$ 626,054          |
| Employee benefits             | 125,208                     | 23,345                            | 19,968             | 168,521             |
| Professional fees             | 120                         | 37,168                            | 142                | 37,430              |
| Depreciation                  | 12,990                      | 18,012                            | -                  | 31,002              |
| In-kind service               | 2,260                       | 6,677                             | 172                | 9,109               |
| In-kind rent                  | 35,251                      | 10,800                            | -                  | 46,051              |
| Insurance                     | 14,919                      | -                                 | -                  | 14,919              |
| Utilities                     | 8,777                       | 1,819                             | 939                | 11,535              |
| Maintenance                   | 26,339                      | 3,580                             | 1,647              | 31,566              |
| Telephone                     | 11,536                      | 1,845                             | 824                | 14,205              |
| Services                      | 115,581                     | -                                 | -                  | 115,581             |
| Supplies and other            | 33,338                      | 9,188                             | 11,866             | 54,392              |
| Education                     | 9,671                       | 169                               | 1,581              | 11,421              |
| Travel                        | 2,229                       | -                                 | -                  | 2,229               |
| Membership dues               | 1,782                       | -                                 | -                  | 1,782               |
| Contribution to related party | -                           | 4,611                             | -                  | 4,611               |
| Special events                | 1,379                       | -                                 | 1,274              | 2,653               |
| Donor relationship            | 102                         | 376                               | 2,345              | 2,823               |
|                               | <u>\$ 903,592</u>           | <u>\$ 168,809</u>                 | <u>\$ 113,483</u>  | <u>\$ 1,185,884</u> |

**StepStone, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2024**

|                               | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>        |
|-------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------|
| Salaries                      | \$ 433,271                  | \$ 62,276                         | \$ 60,890          | \$ 556,437          |
| Employee benefits             | 120,245                     | 26,908                            | 15,771             | 162,924             |
| Professional fees             | -                           | 23,187                            | 436                | 23,623              |
| Depreciation                  | 12,300                      | 20,484                            | -                  | 32,784              |
| In-kind service               | 4,500                       | 13,275                            | -                  | 17,775              |
| In-kind rent                  | 35,251                      | 10,800                            | -                  | 46,051              |
| Insurance                     | 7,633                       | 9,220                             | -                  | 16,853              |
| Utilities                     | 10,257                      | 1,518                             | 1,007              | 12,782              |
| Maintenance                   | 28,256                      | 2,960                             | 1,287              | 32,503              |
| Telephone                     | 8,137                       | 1,569                             | 330                | 10,036              |
| Services                      | 76,641                      | -                                 | -                  | 76,641              |
| Supplies and other            | 20,833                      | 11,161                            | 8,528              | 40,522              |
| Education                     | 5,406                       | -                                 | 35                 | 5,441               |
| Travel                        | 6,775                       | 151                               | -                  | 6,926               |
| Membership dues               | 1,595                       | -                                 | -                  | 1,595               |
| Contribution to related party | -                           | 11,474                            | -                  | 11,474              |
| Special events                | 102                         | -                                 | 204                | 306                 |
| Donor relationship            | 10                          | 2,010                             | 1,599              | 3,619               |
|                               | <u>\$ 771,212</u>           | <u>\$ 196,993</u>                 | <u>\$ 90,087</u>   | <u>\$ 1,058,292</u> |

The accompanying notes are an integral part of these statements.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE A | SUMMARY OF ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

*1. Organization*

StepStone, Inc. (StepStone) was established in December 1995 to provide transitional housing and ongoing support for survivors of domestic violence. The StepStone mission is to help victims reestablish themselves so they are able to live and function independently. StepStone serves persons in the greater Wichita, Kansas area. Hilltop Aspires, Inc. is the sole member of StepStone.

*2. Financial Statement Presentation*

The financial statements are presented on the accrual basis of accounting. StepStone is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and receiving interest from operating investments, less expenses incurred in providing program-related services and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from contributions of cash and other assets that are received with donor stipulations that limit the use of the assets, either temporarily until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, or permanently, in which the donor has stipulated the funds be maintained in perpetuity. There were no net assets with permanent donor restrictions as of June 30, 2025 and 2024.

*3. Receivables*

StepStone considers all receivables to be fully collectible; accordingly, no allowance for credit losses is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE A | SUMMARY OF ACCOUNTING POLICIES**

*4. Investments*

StepStone's investments are reported at fair value in the statements of financial position. Realized gains or losses are computed using average cost. Investment income, gains and losses, both realized and unrealized, are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the use of the gain or loss is restricted by explicit donor stipulations, or by law.

StepStone held investments in common stocks, exchange traded funds, mutual funds and cash equivalents. Unrealized gains and losses are included in the statements of activities and changes in net assets.

*5. Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. All items exceeding \$ 500 are capitalized.

The estimated lives used in determining depreciation are:

|                            | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 10 - 20      |
| Furniture and equipment    | 7            |
| Vehicle                    | 5            |

*6. Revenue Recognition*

StepStone receives revenues from contracts with customers for fees. Fees are recognized at a point in time when a given performance obligation is satisfied. Deferred revenue is a contract liability representing the unearned portion of revenue the StepStone receives in advance for the use of the facility and programs. There was no deferred revenue at June 30, 2025. There was \$ 507 of deferred revenue at June 30, 2024, representing July 2024 rent received.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE A | SUMMARY OF ACCOUNTING POLICIES**

7. *Contributions*

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

8. *Contributed Nonfinancial Assets*

Support arising from contributed services, equipment, and facilities has been recognized in the accompanying financial statements. Contributions, other than cash, are recorded at their fair values on the date the contribution is received.

9. *Program Services*

StepStone Transitional Housing program provides services for survivors of domestic violence. Survivors and/or their children are able to live in apartments and/or houses for up to two years. The goal of the program is to increase independence and financial stability while healing from the trauma of domestic violence. Rent is based upon 30% of the survivor's income. Survivors are asked to have sufficient income to meet their basic daily needs. Additional supportive services offered, include but are not limited to therapeutic counseling, support groups, financial literacy, parenting, information and referral, and other needs that may arise from the survivor.

10. *Expense Allocation*

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses not directly identifiable with any other specific function but provide for overall support and direction of StepStone.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE A | SUMMARY OF ACCOUNTING POLICIES**

*11. Income Taxes*

StepStone is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from income taxes under Section 501(a) of the Code.

StepStone has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. StepStone is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial position date. Penalties and interest assessed by taxing authorities are included in expenses, if applicable. There were no interest or penalties paid during the years ended June 30, 2025 and 2024.

*12. 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 and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

*13. Subsequent Events*

Management has evaluated subsequent events for recognition and disclosure in the financial statements through March 3, 2026, which is the date the financial statements were available to be issued. See Note O for subsequent event footnote.

**NOTE B | CONCENTRATION OF CREDIT RISK**

Cash is maintained at a financial institution in Wichita, Kansas. Accounts at the institution are insured up to \$ 250,000 by the Federal Deposit Insurance Corporation. From time to time, account balances may exceed the insured limits. StepStone has not experienced any losses in such accounts.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE C | MANAGING MEMBER LOAN RECEIVABLE**

StepStone became a managing member of Bluffview Place, LLC in November 2015, which provides transitional housing for families of low income, with an emphasis on women in StepStone's domestic violence program. StepStone loaned \$ 150,000 to Bluffview Place, LLC, upon completion of construction of the apartment complex, which is considered to be a Managing Member Loan. The Managing Member Loan bears interest at 4% per annum, is to be paid from available cash flow and net proceeds and carries a 16-year term. The Managing Member Loan was remitted from StepStone to Bluffview Place, LLC in July 2016. In July 2021, StepStone loaned an additional \$ 25,000 to Bluffview Place, LLC for rent assistance. The loan carries the same terms as the original Managing Member Loan.

**NOTE D | INVESTMENTS**

The following is a breakdown of investments segregated by investment type as of June 30:

|                           | Cost,<br>Including<br>Reinvested<br><u>Dividends</u> | Net<br>Unrealized<br><u>Gains (Losses)</u> | Fair<br><u>Value</u> |
|---------------------------|------------------------------------------------------|--------------------------------------------|----------------------|
| <u>2025</u>               |                                                      |                                            |                      |
| Common stocks             | \$ 73,999                                            | \$ 18,023                                  | \$ 92,022            |
| Exchange traded funds     | 96,487                                               | 28,657                                     | 125,144              |
| Mutual funds              | 99,377                                               | (12,556)                                   | 86,821               |
| Cash and cash equivalents | <u>4,868</u>                                         | <u>-</u>                                   | <u>4,868</u>         |
| Total                     | <u>\$ 274,731</u>                                    | <u>\$ 34,124</u>                           | <u>\$ 308,855</u>    |
| <u>2024</u>               |                                                      |                                            |                      |
| Common stocks             | \$ 74,296                                            | \$ 7,430                                   | \$ 81,726            |
| Exchange traded funds     | 96,077                                               | 12,368                                     | 108,445              |
| Mutual funds              | 93,084                                               | (14,072)                                   | 79,012               |
| Cash and cash equivalents | <u>4,395</u>                                         | <u>-</u>                                   | <u>4,395</u>         |
| Total                     | <u>\$ 267,852</u>                                    | <u>\$ 5,726</u>                            | <u>\$ 273,578</u>    |

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE E | FAIR VALUE MEASUREMENT**

StepStone follows the fair value measurement guidance for financial assets and financial liabilities. This guidance defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. In addition, the guidance permits an entity to measure eligible financial instruments and other items at fair value. StepStone has not made any fair value elections.

Fair value is defined to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. A three-level hierarchy has been established for fair value measurements based upon the inputs to the valuation of an asset or liability as follows:

Level 1 - Valuation is based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuation is derived from inputs, other than quoted prices included in Level 1, which are observable for the asset or liability either directly or indirectly. Investments classified as Level 2 are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. The significant inputs used in this approach include interest rates, prepayment timing, yield spreads, maturities, credit losses and credit ratings of the securities.

Level 3 - Valuation is derived from unobservable inputs that are not corroborated by market data.

Fair value of StepStone's publicly traded common stocks, exchange traded funds, and mutual funds have been determined from observable market quotations, when available.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE E | FAIR VALUE MEASUREMENT**

The following table presents StepStone's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

|                           | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>      |
|---------------------------|-------------------|----------------|----------------|-------------------|
| <u>2025</u>               |                   |                |                |                   |
| Common stocks             | \$ 92,022         | \$ -           | \$ -           | \$ 92,022         |
| Exchange traded funds     | 125,144           | -              | -              | 125,144           |
| Mutual funds              | 86,821            | -              | -              | 86,821            |
| Cash and cash equivalents | <u>4,868</u>      | <u>-</u>       | <u>-</u>       | <u>4,868</u>      |
| Total                     | <u>\$ 308,855</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 308,855</u> |
| <u>2024</u>               |                   |                |                |                   |
| Common stocks             | \$ 81,726         | \$ -           | \$ -           | \$ 81,726         |
| Exchange traded funds     | 108,445           | -              | -              | 108,445           |
| Mutual funds              | 79,012            | -              | -              | 79,012            |
| Cash and cash equivalents | <u>4,395</u>      | <u>-</u>       | <u>-</u>       | <u>4,395</u>      |
| Total                     | <u>\$ 273,578</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 273,578</u> |

**NOTE F | PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at June 30:

|                               | <u>2025</u>       | <u>2024</u>       |
|-------------------------------|-------------------|-------------------|
| Buildings and improvements    | \$ 115,426        | \$ 113,449        |
| Furniture and equipment       | 292,058           | 279,893           |
| Vehicle                       | <u>62,453</u>     | <u>62,453</u>     |
|                               | 469,937           | 455,795           |
| Less accumulated depreciation | <u>356,278</u>    | <u>325,275</u>    |
|                               | 113,659           | 130,520           |
| Land                          | <u>23,246</u>     | <u>23,246</u>     |
|                               | <u>\$ 136,905</u> | <u>\$ 153,766</u> |

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE F | PROPERTY AND EQUIPMENT**

Depreciation expense charged to operations during the years ended June 30, 2025 and 2024, was \$ 31,002 and \$ 32,784, respectively.

**NOTE G | RETIREMENT PLAN**

Beginning January 1, 2022, StepStone sponsored a defined contribution 401(k) plan with Hilltop Aspires, Inc. (Hilltop), a related party entity. The plan provides for discretionary and matching contributions by StepStone and employee contributions on a pre-tax basis. The plan covers all eligible employees as defined by the plan document. StepStone matches 50% of the employee's pre-tax contributions up to 6% of salary. Employer matching contributions are fully vested. StepStone's contributions to the plan were \$ 24,443 and \$ 24,624 for the years ended June 30, 2025 and 2024, respectively.

**NOTE H | RELATED PARTY TRANSACTIONS**

StepStone owed Dear Neighbor Ministries, Inc. (Dear Neighbor) \$ 5,905 and \$ 24,961 for miscellaneous office expenses as of June 30, 2025 and 2024, respectively.

Payroll expenses were paid by Hilltop on behalf of StepStone. These expenses are reimbursed by StepStone at the end of each month. StepStone reimbursed Hilltop \$ 802,401 and \$ 716,833 for the years ended June 30, 2025 and 2024, respectively. StepStone owed Hilltop \$ 36,378 for payroll expenses as of June 30, 2024. StepStone had no balance due for payroll expenses as of June 30, 2025. During the year ended June 30, 2024, Hilltop made a contribution of \$ 22,966 to StepStone. The balance was included in related party receivables at June 30, 2024.

Effective January 1, 2022, StepStone and Hilltop entered into a five-year agreement for rent to be provided by Hilltop for \$ 1 per year. The agreement provides for two successive five-year renewals. The amount of contributed rent over the remaining lease term was included in related party receivables and the related rent expense was recorded straight line over the life of the lease. The difference between the fair market value of the rent and the annual cost, totaling \$ 46,051 were recognized during the years ended June 30, 2025 and 2024. StepStone had a contribution receivable of \$ 52,877 and \$ 88,128 for rent at June 30, 2025 and 2024, respectively.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE I | DESIGNATED NET ASSETS**

Net assets without donor restrictions are designated by the Board for the following purposes at June 30:

|                      | <u>2025</u>       | <u>2024</u>       |
|----------------------|-------------------|-------------------|
| Designated endowment | \$ 87,298         | \$ 79,300         |
| Bluffview Place      | <u>418,337</u>    | <u>391,058</u>    |
|                      | <u>\$ 505,635</u> | <u>\$ 470,358</u> |

**NOTE J | NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at June 30:

|                             | <u>2025</u>       | <u>2024</u>       |
|-----------------------------|-------------------|-------------------|
| Future operations           | \$ 79,747         | \$ 105,245        |
| House operations            | 18,754            | 19,639            |
| Client education            | 6,758             | 10,341            |
| Counseling and play therapy | 2,449             | 1,021             |
| Nest egg                    | 242               | 742               |
| Poor and disadvantaged      | 1,515             | -                 |
| Building improvements       | 8,837             | 15,425            |
| Contributed rent            | 52,877            | 88,128            |
| Transition costs            | 2,146             | -                 |
| Various client needs        | <u>131,932</u>    | <u>13,345</u>     |
|                             | <u>\$ 305,257</u> | <u>\$ 253,886</u> |

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE K | NET ASSETS RELEASED FROM RESTRICTION**

Net assets were released from restrictions during the fiscal years ending June 30, 2025 and 2024 by incurring expenses satisfying the restricted purposes specified by donors. Those purpose restrictions satisfied are as follows:

|                             | <u>2025</u>         | <u>2024</u>       |
|-----------------------------|---------------------|-------------------|
| Future operations           | \$ 155,498          | \$ 81,581         |
| House operations            | 20,885              | 361               |
| Client education            | 4,286               | 476               |
| Counseling and play therapy | 3,536               | 12,761            |
| Nest egg                    | 500                 | 500               |
| Poor and disadvantaged      | 1,386               | -                 |
| Building improvements       | 6,587               | 52,075            |
| Contributed rent            | 35,251              | 35,251            |
| Transition costs            | 6,105               | -                 |
| Various client needs        | <u>939,423</u>      | <u>588,579</u>    |
|                             | <u>\$ 1,173,457</u> | <u>\$ 771,584</u> |

**NOTE L | ENDOWMENTS**

StepStone's endowment includes funds designated by the Board. As of June 30, 2025 and 2024, there were no contributions restricted by donors for an endowment. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

StepStone's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, StepStone classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE L | ENDOWMENTS**

In accordance with UPMIFA, StepStone considers the following factors in making a determination to appropriate or accumulate appreciation of donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of StepStone and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of StepStone
- (7) The investment policies of StepStone

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires StepStone to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2025 and 2024.

*Return Objectives and Risk Parameters*

StepStone has adopted investment and spending policies that enable them to meet the following objectives:

- (1) Preserve capital and its purchasing power
- (2) Increase principal in value to provide the necessary base for the generation of income for current and future needs

*Strategies Employed for Achieving Objectives*

To satisfy its return objectives, StepStone holds funds in accounts that provide a reasonable rate of return based on market conditions.

*Spending Policy and How the Investment Objectives Relate to the Spending Policy*

Only the income from endowment funds may be spent to satisfy restrictions. The principal and all contributions to the endowments must remain intact in perpetuity. The above investment objectives are intended to ensure earnings on these funds.

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE L | ENDOWMENTS**

Endowment Net Asset Composition by Type of Fund  
as of June 30, 2025

|                                  | Without Donor<br><u>Restrictions</u> | With Donor<br><u>Restrictions</u> | <u>Total</u> |
|----------------------------------|--------------------------------------|-----------------------------------|--------------|
| Board-designated endowment funds | \$ 87,298                            | \$ -                              | \$ 87,298    |

Endowment Net Asset Composition by Type of Fund  
as of June 30, 2024

|                                  | Without Donor<br><u>Restrictions</u> | With Donor<br><u>Restrictions</u> | <u>Total</u> |
|----------------------------------|--------------------------------------|-----------------------------------|--------------|
| Board-designated endowment funds | \$ 79,300                            | \$ -                              | \$ 79,300    |

Changes in Endowment Net Assets  
for the year ended June 30

|                                        | Without Donor<br><u>Restrictions</u> | With Donor<br><u>Restrictions</u> | <u>Total</u> |
|----------------------------------------|--------------------------------------|-----------------------------------|--------------|
| Endowment investments at July 1, 2023  | \$ 71,640                            | \$ -                              | \$ 71,640    |
| Investment gain, net                   | 5,715                                | -                                 | 5,715        |
| Interest and dividends                 | 1,945                                | -                                 | 1,945        |
| Endowment investments at June 30, 2024 | 79,300                               | -                                 | 79,300       |
| Investment gain, net                   | 6,927                                | -                                 | 6,927        |
| Interest and dividends                 | 1,071                                | -                                 | 1,071        |
| Endowment investments at June 30, 2025 | \$ 87,298                            | \$ -                              | \$ 87,298    |

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE M | CONTRIBUTED NONFINANCIAL ASSETS**

StepStone recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the rates to provide similar services and equipment. The difference between the fair market value of the nonfinancial assets provided and the annual cost is recognized as in-kind contributions in the statements of activities. Contributed nonfinancial assets received by StepStone are used for programs and supporting services. Contributed nonfinancial assets consisted of the following for the years ended June 30:

|          | <u>2025</u>      | <u>2024</u>      |
|----------|------------------|------------------|
| Services | \$ 12,843        | \$ 17,775        |
| Rent     | <u>10,800</u>    | <u>10,800</u>    |
|          | <u>\$ 23,643</u> | <u>\$ 28,575</u> |

**NOTE N | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects StepStone's financial assets as of June 30, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

|                                                                                       | <u>2025</u>         | <u>2024</u>         |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| Financial assets:                                                                     |                     |                     |
| Cash                                                                                  | \$ 245,917          | \$ 29,722           |
| Accounts receivable                                                                   | 120,412             | 140,550             |
| Investments                                                                           | <u>308,855</u>      | <u>273,578</u>      |
| Financial assets at year end                                                          | 675,184             | 443,850             |
| Less those unavailable for general expenditure within one year due to:                |                     |                     |
| Board designations                                                                    | 505,635             | 470,358             |
| Purpose restrictions                                                                  | <u>305,257</u>      | <u>253,886</u>      |
| Financial assets available to meet cash needs for general expenditure within one year | <u>\$ (135,708)</u> | <u>\$ (280,394)</u> |

**StepStone, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

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**NOTE N | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

StepStone's goal is to maintain sufficient financial assets on hand to meet normal operating expenses, liabilities and other obligations as they are due. Cash on hand deemed to be in excess of near-term obligations is invested. Receivables are received on a regular basis and are available for general obligations when received.

At June 30, 2025 and 2024, StepStone is in a negative liquidity position. However, the Board designations can be modified at any point in time by those charged with governance, thereby allowing for proper liquidity should assets be needed.

**NOTE O | SUBSEQUENT EVENT**

Effective July 1, 2025, Hilltop Aspires, Inc. dissolved and remaining assets were transferred to StepStone and Dear Neighbor. StepStone and Dear Neighbor underwent a reorganization process. As part of the reorganization, Dear Neighbor converted to a single member limited liability company and became a subsidiary of StepStone.