



**THE BROOKLYN STEPPERS INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
The Brooklyn Steppers, Inc.
Brooklyn, NY

We have compiled the accompanying statement of financial position of The Brooklyn Steppers, Inc. as of June 30, 2016, and the related statements of activity and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. All the information of the accompanying statement has been submitted to us. We have not audited or reviewed the accompanying statement of consolidated income and, accordingly, we do not express an opinion or any other form of assurance on it.

Otwan Lowery

Otwan Lowery, CPA
October 26, 2016

THE BROOKLYN STEPPERS INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,060
Accounts Receivable (Note 4)	13,293
TOTAL CURRENT ASSETS	\$ 18,353

FIXED ASSETS

Computer and other equipment (Note 3d)	86,553
Less: accumulated depreciation	(59,490)
FIXED ASSETS - NET	27,063

TOTAL ASSETS	\$ 45,416
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable (Note 5)	16,290
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NET ASSETS:

UNRESTRICTED:

Operating Fund	29,126
Total Unrestricted	29,126

TOTAL LIABILITIES + NET ASSETS	\$ 45,416
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The accompanying notes are integral part of these financial statements.

THE BROOKLYN STEPPERS, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Total Net Assets</u>
REVENUE AND SUPPORT			
Government Grants	\$ 67,969	-	\$ 67,969
Special Events	\$ 1,820		\$ 1,820
Contribution and Support	\$ 15,550		\$ 15,550
In-Kind Donations	\$ 50,000		\$ 50,000
Earned Revenue	<u>\$ 3,000</u>		<u>\$ 3,000</u>
TOTAL REVENUE AND SUPPORT	138,339		138,339
EXPENSES:			
Program Services:	132,617		132,617
TOTAL PROGRAM EXPENSES	<u>132,617</u>	-	<u>132,617</u>
Supporting Services:			
Management and general	13,789		13,789
Fund-raising	<u>-</u>		<u>-</u>
Total Supporting services	<u>13,789</u>	-	<u>13,789</u>
Total expenses	146,406		146,406
Change in net assets	(8,067)	-	(8,067)
Other changes in net assets	-	-	-
Net assets - beginning of the year	37,193	-	37,193
Net assets - end of the year	<u><u>\$ 29,126</u></u>	<u><u>-</u></u>	<u><u>\$ 29,126</u></u>

The accompanying notes are integral part of these financial statements.

THE BROOKLYN STEPPERS, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash flows from operating activities:	
Change in net assets	(8,067)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,294
Changes in accounts receivable	13,818
Changes in accounts payable	<u>3,188</u>
Net cash provided by operating activities	14,233
Cash flows from investing activities:	
Equipment	<u>(10,522)</u>
Net cash provided by investing activities	(10,522)
Cash flows from financing activities:	
Net cash provided by financing activities	-
Net change in cash and cash equivalents	3,711
Cash and cash equivalents - July 1	<u>1,349</u>
Cash and cash equivalents - June 30	<u><u>\$ 5,060</u></u>

THE BROOKLYN STEPPERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Expenses	Program Services		Supporting Services		Total
	Program	Management and General	Fundraising		
Salaries	18,862	4,716	-	\$	23,578
FICA	416	104	-	\$	520
Payroll Fees	1,324	1,986	-	\$	3,310
Occupancy	59,591	-	-	\$	59,591
Depreciation	5,295	-	-	\$	5,295
Teaching Artists	12,565	-	-	\$	12,565
Advertising	9,080	-	-	\$	9,080
Uniforms & Costumes	1,104	-	-	\$	1,104
Insurance	1,917	-	-	\$	1,917
Meals & Ent.	2,678	-	-	\$	2,678
Moving & Storage	4,307	-	-	\$	4,307
Office Expense	-	2,874	-	\$	2,874
Postage	103	-	-	\$	103
Prof. Development	158	237	-	\$	395
Prof. Services	-	2,000	-	\$	2,000
Printing	1,108	-	-	\$	1,108
Staff Development	1,122	1,682	-	\$	2,804
Repairs & Maintenance	818	-	-	\$	818
Business Filing Fees	-	50	-	\$	50
Special Events	7,186	-	-	\$	7,186
Travel	4,505	-	-	\$	4,505
Telephone	82	122	-	\$	204
Misc.	126	18	-	\$	144
Website	271	-	-	\$	271
	\$ 132,617	\$ 13,789	\$ -	\$	146,407

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

THE BROOKLYN STEPPERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE A – THE ORGANIZATION AND ITS SIGNICANT ACCOUNTING POLICIES

NOTE 1 - Organization and Nature of Business:

The Brooklyn Steppers, Inc. (the “Organization”) is a not-for-profit entity formed in the State of New York in 2009 that seeks to develop a commitment to personal excellence in young people through innovative, quality performance arts education and practical experience in arts-related careers.

The organization is exempt from federal income taxes under 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

NOTE 2 - Financial Reporting:

The Brooklyn Steppers, Inc. classified its net assets, public support, revenues and expenses based on the existence or absence of donor-imposed restrictions. There are three classes of net assets: **permanently restricted, temporarily restricted and unrestricted.**

Contributions and other inflow of assets are recorded as permanently restricted net assets if they are received with donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization pursuant to those stipulations.

Contributions and other inflow of assets are recorded as temporarily restricted net assets if they are received with donor-imposed stipulations that either expire by passage of time or can be fulfilled and otherwise removed by actions of the Organization. When a donor restriction expires or pursuant restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Unrestricted Revenues, Expenses, and Other Changes in Unrestricted Net Assets as net assets released from restrictions.

Contributions and other inflow of assets are recorded as unrestricted net assets if they are received with no donor-imposed stipulations or they are not part of the permanently or temporarily restricted net assets.

The Brooklyn Steppers, Inc. has no permanently or temporarily restricted net assets as of June 30, 2016.

THE BROOKLYN STEPPERS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - Summary of Significant Accounting Policies

- a) The Organization's accounting policies are in accordance with accounting principles generally accepted in the United States of America.
- b) The financial statements of the Organization are prepared based on accrual basis of accounting.
- c) Contributions and pledges of support are recognized as revenue when received or pledged.
- d) Fixed Assets and Equipment are depreciated on a straight-line basis over the estimated useful life of the asset.
- e) The Organization is a not-for-profit organization operating under the Internal Revenue Code Section 501 (c) (3). It is not subject to Federal, State or City income taxes.
- f) Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash. Cash are maintained at high quality financial institutions.
- g) The preparation of financial statements are 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.
- h) Program services are the major activities that result in goods and services being provided to beneficiaries, clients or members that fulfill the mission of the Organization.

NOTE 4 – ACCOUNTS RECEIVABLE

As of June 30, 2016 accounts receivable in the amount of \$6,500 is due from NYC Dept. of Cultural Affairs, \$5,293 due from NYC Dept. of Youth & Community Development, and \$1,500 due from Colyn Cumberbatch for return of retainer payment for accounting services.

NOTE 5 – ACCOUNTS PAYABLE

As of June 30, 2016 accounts payable balance includes: \$13,102 – Gross Wages (ED) and \$3,187.50 – 52nd Street Project.