

The Brooklyn Steppers, Inc
Financial Statements
June 30, 2025

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Thomas J Clary, CPA

Independent Accountant's Review Report

To the Board of Directors of
The Brooklyn Steppers Inc.
Brooklyn, NY 11201

I have reviewed the accompanying financial statements of The Brooklyn Steppers Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion. We are required to be independent of The Brooklyn Steppers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Thomas J Clary, CPA PLLC

Thomas J Clary, CPA
Salem, NY
August 4, 2025

The Brooklyn Steppers, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS	
	FY 2025
CURRENT ASSETS	
Cash and cash equivalents (Note 1)	\$ 8,468
Contributions and grants receivable	124,198
Total Current Assets	132,666
PROPERTY AND EQUIPMENT	
Furniture, Fixtures, and Equipment	181,802
Less: Accumulated Depreciation	(151,167)
Total Fixed Assets (Note 1)	30,635
Other Assets	10
Total Assets	163,311
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Credit Cards Payable	5,112
Accrued payroll	329
Total current liabilities	5,441
Total Liabilities	5,441
NET ASSETS	
Net assets without donor restrictions (Note 1)	157,870
Total net assets	157,870
Total liabilities and net assets	163,311

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

The Brooklyn Steppers, Inc.
STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2025

	Without donor restrictions	With donor restrictions	FY 2025
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 34,465	\$ -	\$ 86,069
Grants	52,075		
Program income	262,966	-	84,771
		-	170,839
Net assets released from restrictions	-	-	-
Total revenues, gains and other support	349,506	-	349,506
EXPENSES			
Program services	271,567	-	271,567
Total program services	271,567	-	271,567
Supporting services			
Fundraising	23,461	-	23,461
Administrative	44,479	-	44,479
Total supporting services	67,940	-	67,940
Total expenses	339,507	-	339,507
Change in net assets	9,999	-	9,999
NET ASSETS, BEGINNING OF YEAR	147,871		147,871
NET ASSETS, END OF YEAR	157,870	-	157,870

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

The Brooklyn Steppers, Inc.
STATEMENT OF FUNCTIONAL EXPENSE
Fiscal Year Ended June 30, 2025

	Program Services	Supporting Services		Total
	Total	Fundraising	Administrative	FY 2025
Salaries	159,186		13,695	172,881
Payroll taxes and benefits	12,631		3,158	15,789
Total salaries and related expenses	171,817	-	16,853	188,670
Music program expenses	80,823		5,630	86,453
Professional fees and services		23,461	13,607	37,068
Office and administrative	18,927		8,389	27,316
Total expenses reported in the statement of activities	271,567	23,461	44,479	339,507

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

The Brooklyn Steppers, Inc.
STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2025

	<u>FY 2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	\$ 9,999
Adjustments to reconcile change in net assets	
Depreciation and amortization	11,692
Prior period adjustment	2,843
(Increase) decrease in operating assets	
Contributions, grants, and bequests receivable	(95,256)
Increase (decrease) in operating liabilities	
Credit cards payable	3,969
Accrued payroll	(17,015)
Net cash provided by operating activities	<u>(83,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed asset	<u>-</u>
Net cash provided by investing activities	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payment on loan payable	<u>-</u>
Net cash provided by financing activities	<u>-</u>
Net change in cash and cash equivalents	<u>(83,768)</u>
Cash and cash equivalents at beginning of year	<u>92,236</u>
Cash and cash equivalents at end of year	<u>8,468</u>

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

The Brooklyn Steppers, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

Nature of Organization

The Brooklyn Steppers Inc. is an organization, other than a private foundation, exempt from income tax under Section 501(C)(3) of the Internal Revenue Code. The organization seeks to develop a commitment to excellence in young people through innovation quality performance arts education and practical experience in arts related careers. These activities are funded primarily by program service revenue, individual and institutional contributions, and grants.

Basis of Accounting

The Organization prepares its financial statement in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

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

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

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 reported amounts of assets and liabilities and disclosures of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition – Program Services

Program service revenues are reported as revenue in the year when the services are provided.

Revenue Recognition – Contributions

Individual and institutional contributions are reported as revenue in the year the contribution is received. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization does not have any donor restricted contributions at this time.

Revenue Recognition – Grants

Grants are reported as revenue based on the terms and conditions of each specific grant agreement with the grantor. Grants that are earned based on the expenditure of specific expenses are recorded as revenue when the expenses are incurred, and the Organization has an unconditional right to the grant funds. When a donor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization does not have any donor restricted grants at this time.

Contributions and Grants Receivable

Contributions and grants receivable represent gifts from individuals, corporations, and foundations for the general support of the Organization. All contributions and grants are considered fully collectible; therefore no allowance has been established.

Property and Equipment

Property and equipment acquisitions follow the Organization's *Financial Policies and Procedures Handbook* and are capitalized and recorded at cost. Depreciation is recorded over the estimated useful lives of the assets using the straight-line method.

Property and equipment consisted of the following at June 30, 2025:

Fixed Asset Schedule						
<u>Asset Description</u>	<u>Date in Service</u>	<u>Cost</u>	<u>Life</u>	<u>Annual Dep</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment	7/1/2009	33,960	5	6,792	33,960	-
Equipment	7/13/2011	1,116	5	223	1,116	-
Equipment	4/11/2012	12,389	5	2,478	12,389	-
Equipment	4/18/2013	3,200	7	457	3,200	-
Equipment	5/7/2013	4,395	7	628	4,395	-
Equipment	11/23/2013	20,971	7	2,996	20,971	-
Equipment	6/1/2015	10,522	7	1,503	10,522	-
Instruments	6/30/2017	15,347	7	2,192	15,346	1
Instruments	12/31/2018	26,661	7	3,809	24,757	1,904
Computer	1/22/2019	1,338	5	268	1,338	0
Computer	6/4/2019	513	5	103	513	(0)
Instruments	9/14/2021	28,644	7	4,092	15,516	13,128
Equipment	2/6/2023	9,470	5	1,894	4,535	4,935
Instruments	2/13/2024	13,276	7	1,897	2,609	10,667
Total Assets		\$ 181,802			\$ 151,167	\$ 30,635

Income Tax Status

The Brooklyn Steppers, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Such organizations are taxed only on unrelated business income. No provision for federal income tax is required as of June 30, 2025, as the organization has no unrelated business income.

Functional Expense

Accounting principles generally accepted in the United States of America require all nonprofit organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expenses. Functional expenses are either charged directly to program or supporting services as incurred or allocated based on estimates of time and effort. The expenses that have been allocated based on estimates of time and effort included salaries and related expenses, occupancy, and professional fees.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating activities and other changes in net assets. Operating activities consist of those items attributable to the Organization's ongoing program services.

Note 2 – Liquidity

The Organization decreased its cash balance by \$83,768 for the fiscal year and maintained an average cash balance of \$50,352, which is equal to 1.78 times average monthly expenditures. Cash receipts from program services, grants, and contributions are received steadily throughout the year.

Note 3 – Related Party Transactions

During the fiscal year ending June 30, 2025 the Organization and its management is unaware of any related party transactions.

Note 4 – Subsequent Events

The Organization has evaluated the impact of significant subsequent events. There have been no subsequent events that require recognition or disclosure through August 4, 2025, the date the Organization's financial statements were available to be issued.