THE FOCUS GROUP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Audit Report

Dance Iquail!, Inc.

Financial Statements
For The Year Ended
June 30, 2024

Dance Iquail!, Inc.

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For The Year Ended
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dance Iquail!, Inc.
Philadelphia, Pennsylvania

Opinion

We have audited the accompanying financial statements of Dance Iquail!, Inc. (a Pennsylvania nonprofit corporation), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dance Iquail!, Inc. as of June 30, 2024 and 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Dance Iquail!, 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 Dance Iquail!, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

Sincerely,

The Focus Group, P.C.

THE FOCUS GROUP PC
Philadelphia, Pennsylvania

October 1, 2024

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Dance Iquail!, Inc.
Statement of Financial Position
For the Year Ended June 30, 2024

Assets		
Current assets		
Cash	$	69,158
Accounts receivable		1,688
Total current assets		70,846
Total assets	$	70,846
Liabilities and net assets		
Current liabilities		
Accounts payable	$	16,016
Accrued expenses		3,147
Total current liabilities		19,163
Total liabilities		19,163
Net assets		
Without donor restrictions		51,683
Total net assets		51,683
Total liabilities and net assets	$	70,846

The accompanying notes are an integral part of these statements.

Dance Iquail!, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions and grants	$ 55,766	$ 30,000	$ 85,766
Program service revenue	35,976	-	35,976
Fundraising and special events	6,324	-	6,324
Miscellaneous	6,258	-	6,258
Net assets released from restrictions:			
Satisfaction of restrictions	30,000	(30,000)	-
Total revenue	134,324	-	134,324
Expenses			
Program services	357,560	-	357,560
Management and general	90,776	-	90,776
Fundraising	24,377	-	24,377
Total expenses	472,713	-	472,713
Change in net assets	(338,389)	-	(338,389)
Net assets. Beginning of year	390,072	-	390,072
Net assets, end of year	$ 51,683	$ -	$ 51,683

The accompanying notes are an integral part of these statements.

Dance Iquail!, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries and payroll taxes	$ 157,968	$ 3,545	$ -	$ 161,513
Professional services	76,243	34,782	300	111,325
Dues and subscriptions	1,140	11,265	4,012	16,417
Rent	20,272	6,900	-	27,172
Office expense	4,148	6,662	39	10,849
Supplies	8,300	4,723	1,000	14,023
Advertising	5,470	1,404	217	7,091
Insurance	-	12,047	-	12,047
Utilities	-	2,191	-	2,191
Repairs and manintenance	-	4,840	-	4,840
Employee benefits	9,100	300	-	9,400
Training	1,200	-	1,180	2,380
Travel	73,719	2,117	17,629	93,465
	$ 357,560	$ 90,776	$ 24,377	$ 472,713

The accompanying notes are an integral part of these statements.

Dance Iquail!, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows provided (used) by operating activities	
Change in net assets	$ (338,389)
Adjustments to reconcile change in net asset to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	212,312
Accounts payable	15,827
Accrued expenses	5,138
Net cash provided by operating activities	(105,112)
Net increase in cash and cash equivalents	(105,112)
Cash and cash equivalents	
Cash and cash equivalents, beginning of year	174,270
Cash and cash equivalents, end of year	$ 69,158

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dance Iquail!, Inc. (the "Organization") is a New York state non-profit organization dedicated using the art of dance as a conduit for combating issues of social injustice primarily experienced by Black Philadelphians. Our mission is to create a relevant company that would educate and empower dancers and the audience while also bringing a positive influence to inner-city youth through education and community initiatives. Currently the organization is mainly operating in the Philadelphia area.

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. The financial statements are presented in accordance with Financial Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Accountants (AICPA) "Audits and Accounting Guide for Not-for-Profit Organizations" (the Guide). ASC 958-205 was effective January 1, 2018. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expanded for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of management and the board of directors.

Net Assets With donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. There were no donor restricted net assets of a perpetual nature at June 30, 2024.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with US GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting periods. Actual results could differ significantly from estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash and demand deposits in banks, merchant banking clearing accounts, and short-term investments. To reduce its credit risk, the Organization monitors the credit standing of the financial institutions that hold the Organization’s cash and cash equivalents. Accounts are guaranteed by the FDIC up to $250,000 per depositor.

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection information, and existing economic conditions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. Management believes all accounts receivable are collectable within one year or less; therefore, no allowance for uncollectible accounts has been established.

Contributions and Grant Income

Contributions and grants (including unconditional promises to give, i.e., pledges) are recognized as revenue in the year they are received or pledged, with allowances provided for pledges estimated to be uncollectible. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts on unconditional pledges is included in contributions in the accompanying statement of activities and changes in net assets. Conditional pledges, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Management routinely monitors the collectability of grants and contributions receivable.

The Organization recognizes contributions and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying statement of activities as net assets released from restrictions.

A portion of the Organization’s revenue is derived from contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met targeted goals and/or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to achieving these targeted goals and/or incurring qualifying expenditures are reported as deferred revenue in the accompanying statement of financial position.

Donated Services

Donated services are recognized as contributions in accordance with Accounting Standards Codification (ASC) Topic No. 958, Financial Statements of Not-For-Profit Entities, if the services (a) create or enhance non- financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Fair Value of Financial Instruments

Fair value is determined based on estimated future net cash flows discounted for the inherent risks associated with the assets, or other valuation techniques. Certain instruments of the Organization’s financial instruments, including cash, accounts payable, debt and other accrued liabilities are carried at cost, which approximates their fair value because of the short-term maturity of these financial instruments. Due to uncertainties in the estimation process and other factors beyond our control, it is possible that actual results could differ from those estimates and could materially affect the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The cost of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management's allocation of salaries and wages is based on estimated time spent by employees in each of the functions. The remaining expenses are charged to each function at the time the expense is incurred.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes ("Topic 740") of the FASB's Accounting Standards Codification. The Organization does not believe it has any uncertain tax positions as of June 30, 2024.

Generally, federal, state, and local authorities may examine the Organization's tax returns for three years from the date of filing or the due date of the return. The current year and prior year remain subject to examination as of June 30, 2024.

Adoption of New Accounting Guidance

Effective July 1, 2023, the Organization adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses. This ASU introduces a "current expected credit loss" ("CECL") model which requires all expected credit losses for financial instruments held at the reporting date to be based on historical experience, current conditions, and reasonable supportable forecasts. The CECL model replaces the existing incurred loss method and is applicable to the measurement of credit losses of financial assets. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company subject to the guidance in Accounting Standards Codification ("ASC") 326, Financial Instruments – Credit Losses, were accounts receivable. The impact of this ASU adoption was not material to the financial statements and primarily resulted in enhanced financial statement disclosures.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2024:

Cash	$	69,300
Accounts receivable	$	1,688
Current Liabilities		(19,163)
	$	51,825

NOTE 2 – LIQUIDITY AND AVAILABILITY (continued)

General expenditures include program services expenses and supporting services expenses expected to be paid in the subsequent year. As part of the Dance Iquail!, Inc. liquidity management plan, the Organization structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the year ended June 30, 2024:

Philadelphia Foundation	$ 30,000

NOTE 4 – LEASES

Dance Iquail!, Inc. leased space for operation of its program and administrative office under a monthly operating lease requiring monthly payments of $300.00. The Organization leases its facility in Philadelphia, Pennsylvania from The District One Community Education Center. The lease was renewed in June 2023. The lease is for a period of one year and is renewable each year at the option of the Organization. Rent expense for the year ended June 30, 2024, totaled $3,600.

NOTE 5 – CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits in excess of federally insured limits. The Organization maintains cash balances in three financial institutions. On June 30, 2024, the Organization's FDIC uninsured cash balance was $0. The Organization has not experienced any losses in such accounts.

NOTE 6 – SUBSEQUENT EVENTS

As of October 1, 2024 there are no subsequent events which either warrant a modification of the value of the assets and liabilities or any additional disclosures for the reporting fiscal year.