

DANCE IQUAIL!, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

DANCE IQUAIL!, INC.

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report.....	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities June 30, 2022.....	4
Statement of Functional Expenses June 30, 2022	5
Statement of Cash Flows June 30, 2022.....	6
Notes to Financial Statements.....	7

Joseph W. Bowley & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Board of Directors
DANCE IQUAIL!, INC.
Philadelphia, PA

Opinion

We have audited the accompanying financial statements of ***DANCE IQUAIL!, INC.*** (a non-profit corporation), which comprise the statements of financial position as of June 30, 2022 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 ***DANCE IQUAIL!, INC.*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

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 **DANCE IQUAIL!, 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 **DANCE IQUAIL!, 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.



Joseph W. Bowley & Company, L.L.P.
Certified Public Accountants

Blackwood, New Jersey
March 12, 2023

DANCE IQUAILI, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current assets	
Cash	\$ 424,467
Grants and pledge receivables	250,428
Accounts receivable	<u>10,412</u>
Total current assets	<u>685,307</u>
 Total assets	 <u><u>\$ 685,307</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	<u>\$ 7,904</u>
Total current liabilities	<u>7,904</u>
Total liabilities	<u>7,904</u>
Net assets	
Without donor restrictions	426,975
With donor restrictions	<u>250,428</u>
Total net assets	<u>677,403</u>
Total liabilities and net assets	<u><u>\$ 685,307</u></u>

See accompanying notes and independent accountant's review report.

DANCE IQUAILI, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Grants and contributions	\$ 492,199	\$ 250,428	\$ 742,627
In-kind goods and services	-	-	-
Program income	17,412	-	17,412
PPP Loan Forgiveness	-	-	-
Interest income	117	-	117
Net assets released from restrictions: Satisfaction of program restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Total revenue and support	<u>534,728</u>	<u>225,428</u>	<u>760,156</u>
 <u>EXPENSES</u>			
Program services	<u>128,331</u>	<u>-</u>	<u>128,331</u>
Supporting services			
Management and general	46,963	-	46,963
Fundraising	<u>13,238</u>	<u>-</u>	<u>13,238</u>
Total supporting services	<u>60,201</u>	<u>-</u>	<u>60,201</u>
Total expenses	<u>188,532</u>	<u>-</u>	<u>188,532</u>
Changes in net assets	346,196	225,428	571,624
Net assets, beginning of fiscal year	<u>80,779</u>	<u>25,000</u>	<u>105,779</u>
Net assets, end of fiscal year	<u>\$ 426,975</u>	<u>\$ 250,428</u>	<u>\$ 677,403</u>

See accompanying notes and independent accountant's review report.

DANCE IQUAIL!, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and payroll taxes	\$ 35,833	\$ 4,479	\$ 4,479	\$ 44,791
Professional fees	6,363	22,862	8,000	37,225
Advertising and promotion	5,268	-	759	6,027
Dues and memberships	-	841	-	841
Insurance	-	7,229	-	7,229
Occupancy and space rentals	2,450	3,900	-	6,350
Office expenses	-	4,525	-	4,525
Performer and Musician Fees	22,913	-	-	22,913
Production expenses	1,529	-	-	1,529
Telephone	-	3,127	-	3,127
Travel	53,975	-	-	53,975
Total expenses	<u>\$ 128,331</u>	<u>\$ 46,963</u>	<u>\$ 13,238</u>	<u>\$ 188,532</u>

See accompanying notes and independent accountant's review report.

DANCE IQUAIL!, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 571,624
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Forgiveness of SBA loans	(12,500)
(Increase) decrease in:	
Accounts receivable	(10,412)
Grants and pledge receivables	(225,428)
Security deposit	250
Increase in:	
Accounts payable	<u>5,781</u>
Net cash provided by operating activities	<u>329,315</u>
Net increase in cash	<u>329,315</u>
Cash, beginning of fiscal year	<u>95,152</u>
Cash, end of fiscal year	<u><u>\$ 424,467</u></u>

See accompanying notes and independent accountant's review report.

DANCE IQUAIL!, INC.
NOTES TO FINANCIAL STATEMENTS

1. PROGRAMS AND ACTIVITIES

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

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 expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restriction from time to time.

Net Assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporarily 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, where by the donor has stipulated that funds be maintained in perpetuity.

Accounts Receivable

The Organization records revenue at the time it is earned. An allowance for uncollectible receivables is based on a review of specific amounts and estimated on historical collection data. There is no allowance for doubtful accounts at June 30, 2022 as management believes all receivables are collectible.

DANCE IQUAIL!, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contributions and Grant Income

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions are satisfied.

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.

Compensated Absences

The Organization does not record an accrual for compensated absences since they cannot be reasonably estimated.

Advertising Costs

Advertising costs are expensed in the year they are incurred.

Use of Estimates

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

Fair Value of Financial instruments

The Organization's financial instruments consist primarily of cash, accounts receivable and accounts payable. These balances, as presented in the financial statements as of June 30, 2022, respectively, approximate their fair market value because of their short maturities.

Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under the provisions of Internal Revenue Code Section 501 (c) (3), and is exempt from state income taxes under the provisions of the New York State and Pennsylvania Departments of Revenue.

DANCE IQUAIL!, INC.
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes (cont'd)

The Organization has adopted current accounting principles for uncertain income tax positions that require evaluation of tax positions taken on its income tax returns and recognizing a tax assets or liability if the position would not be sustained under audit. The Organization's policy is to record interest and penalties from tax examinations as income taxes. For federal income tax purposes, the returns remain open for possible examination three years after they are filed.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 were restricted for the following purposes:

Donor restricted due to timing	<u>\$ 250,428</u>
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4. LIQUIDITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Liquidity at June 30, 2022 is as follows:

Cash	\$ 424,467
Accounts, grants, and pledges receivables	260,840
Current liabilities	<u>(7,904)</u>
Assets available for general expenditures	<u>\$ 677,403</u>

The Organization structures financial assets to be available for general expenditures as program commitments become due and it's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the statement of financial position date.

5. PAYCHECK PROTECTION PROGRAM LOAN

On June 10, 2021, the Organization was granted a loan from Citizens Bank, in the aggregate amount of \$12,500, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

DANCE IQUAIL!, INC.
NOTES TO FINANCIAL STATEMENTS

5. PAYCHECK PROTECTION PROGRAM LOAN (continued)

Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On August 24, 2021, the Organization received notice that this loan had been forgiven by the SBA. This has been recorded as grants and contribution income for the year ended June 30, 2022.

6. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through March 12, 2023, the date of the financial statements were available to be issued. The Organization had no significant or material subsequent events through March 12, 2023.