

BRANDWORKERS INTERNATIONAL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2013

PREPARED BY
ROSS WISDOM CPA, PLLC

Table of Contents

INDEPENDENT AUDITOR'S REPORT.....	1
Financial Statements	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-8

ROSS WISDOM CPA, PLLC

150 BROADWAY, SUITE 1105
NEW YORK, NY 10038
212-986-0892
FAX 212-661-1970

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brandworkers International
PO Box 1257
Long Island City, NY 11101

We have audited the accompanying financial statements of Brandworkers International (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brandworkers International as of December 31, 2013 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.



Ross Wisdom CPA, PLLC
Certified Public Accountant

New York, NY
August 15, 2014

BRANDWORKERS INTERNATIONAL
Statement of Financial Position
At December 31, 2013

Assets

Current assets

Cash-checking	\$ 54,257
Cash-Paypal	1,258
Total current assets	55,515

Intangible assets

Website	3,500
Less: accumulated amortization	(875)
Net intangible assets	2,625

Total assets **\$ 58,140**

Liabilities and net assets

Current liabilities

Accrued expenses payable	\$ 7,850
Total current liabilities	7,850

Total liabilities 7,850

Net assets

Unrestricted	25,290
Temporarily restricted net assets	25,000
Total net assets	50,290

Total liabilities and net assets **\$ 58,140**

The accompanying notes are an integral part of these financial statements

BRANDWORKERS INTERNATIONAL
Statement of Activities
For the year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions	\$ 99,960		\$ 99,960
Foundation grants	168,300	60,000	228,300
Rent & miscellaneous income	5,908		5,908
Net assets released from restrictions	35,000	(35,000)	-
Total support & revenue	309,168	25,000	334,168
Functional expenses			
Programs	227,071		227,071
Management and general	25,052		25,052
Fundraising	79,330		79,330
Total expenses	331,453	0	331,453
Change in net assets	(22,285)	25,000	2,715
Net assets, beginning of year	47,575	0	47,575
Net assets, end of year	\$ 25,290	\$ 25,000	\$ 50,290

The accompanying notes are an integral part of these financial statements

BRANDWORKERS INTERNATIONAL
Statement of Functional Expenses
For the year ended December 31, 2013

	Total	Program Services	Management & General	Fund Raising
Officers salaries	\$ 94,800	71,100	4,740	18,960
Other salaries	106,966	80,225	2,674	24,067
Payroll taxes	16,256	12,192	610	3,454
Employee benefits	24,167	18,125	801	5,241
Accounting	6,000		6,000	
Advertising	127		127	
Amortization	875		875	
Awards dinner expenses	17,971			17,971
Bank fees	364		364	
Campaign materials	1,188	1,188		
Cleaning & maintenance	2,541		2,541	
Consultants, fellows & stipends	7,631	7,529		102
Dues & subscriptions	1,389		1,389	
Information technology	1,662	1,247	62	353
Insurance	1,895		1,895	
Legal	1,616	1,616		
Meetings, events & food	5,400	3,716	33	1,651
Membership fees	618	618		
Miscellaneous expenses	1,119		1,119	
NYS filing fees	95		95	
Occupancy	21,750	16,312	805	4,633
Office supplies & expense	2,383	1,787	89	507
Payroll service fees	1,024	768	38	218
Program exp-Work Peoples College	5,265	5,265		
Postage & shipping	1,175	52	582	541
Printing	407			407
Travel	1,013	1,013		
Utilities	3,275	2,457	121	697
Workers comp. & disability	2,481	1,861	92	528
Total expenses	\$ 331,453	\$ 227,071	\$ 25,052	\$ 79,330

The accompanying notes are an integral part of these financial statements

BRANDWORKERS INTERNATIONAL
Statement of Cash Flows
For the year ended December 31, 2013

Cash flows from operating activities	
Change in net assets	\$ 2,715
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	875
Increase in accrued expenses	6,000
Net cash provided by operating activities	<u>9,590</u>
 Cash flows from investing activities	
Intangible assets (website)	<u>(3,500)</u>
Net cash used by investing activities	<u>(3,500)</u>
 Increase in cash	<u>6,090</u>
 Cash, beginning of year	<u>49,425</u>
 Cash, end of year	<u><u>\$ 55,515</u></u>

The accompanying notes are an integral part of these financial statements

Brandworkers International
Notes to Financial Statements
For The Year ending December 31, 2013

1. Organization

Brandworkers International assists retail, food and allied workers to assert their rights and improve the living and working conditions of workers and their families.

The organization was incorporated in the State of New York on April 22, 2009 and has been recognized as a tax-exempt charitable organization under section 501 (c) (3) of the Internal Revenue Service Code.

2. Summary of Significant Accounting Policies

The summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. They are presented in accordance with the provisions of Accounting Standards Codification 958, "Financial Statements of Not-For-Profit Organization". Under the provisions of Codification 958, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of The Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions, but may be designated for specific purposes by the action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that may can be fulfilled either by actions of the Organization pursuant to those stipulations and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that the Organization maintains. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Restricted Grants and Contributions – Grant awards require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Brandworkers International management is of opinion that the Organization has complied with the terms and conditions of all the grants.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with purchased maturities of less than ninety days.

Revenue Recognition

Contribution is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with the provision of Accounting Standards Codification 9598-608, "Accounting for Contributions Received and Contributions Made", contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

Donated Facilities and Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Donated services are recognized as contributions in accordance with the provision of Accounting Standards Codification 958-605, 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.

During the year ended December 31, 2013, the value of donated professional services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fund-raising, management and general expense or the appropriate program based on evaluations of the related benefits and actual hours. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates

The preparation of financial statements in conformity with 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. Significant estimate include the allocation of functional expenses.

Website Design

Amortization of website costs is computed using the straight-line method over 3 years.

3. Concentration of Credit risk

The organization maintains an account at Amalgamated Bank an institution insured by the FDIC up to \$250,000. Cash at these institutions did not exceed the federally insured limit at December 31, 2013.

4. Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily Restricted Net Assets consists of the following at December 31, 2013.

	Beginning balances	Additional funds	Amount released	Ending balances
Mertz Gilmore Foundation	\$ -	\$ 40,000	\$ (26,667)	\$ 13,333
Jessie Smith Noyes Foundation	0	20,000	(8,333)	11,667
	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ (35,000)</u>	<u>\$ 25,000</u>

5. Income Taxes

The Organization is exempt from federal and state taxes under 501 (c) (3) of the Internal Revenue Code, and the not-for-profit corporation laws of New York State, and is considered by the Internal Revenue Service to be an Organization other than a private foundation. The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the

Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions

which do not meet a "more likely than not" threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax positions that would not meet this threshold. The past three years remain open for examination by the tax authorities (Form 990 and NY-CHAR500).

6. Subsequent Events

The Organization has evaluated all subsequent events through the date of this report, and determined there are no material recognized or unrecognized subsequent events warranting adjustment or disclosure.