

BRANDWORKERS INTERNATIONAL, INC

FINANCIAL STATEMENTS

DECEMBER 31, 2016

BRANDWORKERS INTERNATIONAL, INC

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ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Brandworkers International, Inc  
New York, New York

I have reviewed the accompanying financial statements of Brandworkers International, Inc. (a nonprofit organization), which comprise the balance sheet as of December 31, 2016, and the related statements of activities, change in net assets, 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 Organization 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**

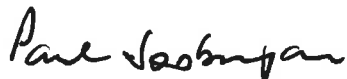
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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 engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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 report.

**Accountant's Conclusion**

Based on my reviews, 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.



New York, New York  
September 28, 2017

BRANDWORKERS INTERNATIONAL, INC  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2016

Assets

Cash and cash equivalents	\$ 240,538
Grants receivable	300
Prepaid expense	<u>2,500</u>
Total assets	<u><u>\$ 243,338</u></u>

Liability and Net Assets

Liability

Accounts payable and accrued expenses	\$ <u>4,880</u>
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Net Assets

Unrestricted	198,458
Temporarily restricted	<u>40,000</u>
Total	<u>238,458</u>

Total liability and net assets	<u><u>\$ 243,338</u></u>
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See accompanying notes to financial statements.

BRANDWORKERS INTERNATIONAL, INC  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and support</u>			
Grants and contributions	\$ 302,235	62,500	364,735
LWC grants		136,680	136,680
Fundraising event	42,365		42,365
Sublease	3,500		3,500
Others	232		232
Sub-total	<u>348,332</u>	<u>199,180</u>	<u>547,512</u>
Release from restriction:			
Satisfaction of program restriction	<u>184,180</u>	<u>(184,180)</u>	<u>-</u>
Total revenue	<u>532,512</u>	<u>15,000</u>	<u>547,512</u>
<u>Expenses</u>			
Program services	372,773		372,773
General and administration	30,429		30,429
Fundraising	<u>96,054</u>		<u>96,054</u>
Total expenses	<u>499,256</u>		<u>499,256</u>
Change in net assets	33,256	15,000	48,256
Net assets at beginning of year	<u>165,202</u>	<u>25,000</u>	<u>190,202</u>
Net assets at end of year	<u>198,458</u>	<u>40,000</u>	<u>\$ 238,458</u>

See accompanying notes to financial statements.

BRANDWORKERS INTERNATIONAL, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 152,585	14,172	41,689	208,446
Payroll taxes and fringes	<u>33,435</u>	<u>3,206</u>	<u>9,160</u>	<u>45,801</u>
Total personnel	186,020	17,378	50,849	254,247
Professionals and contractors	2,627	6,642	34,906	44,175
Office supplies and expenses	3,598	387	250	4,235
Events and meetings	4,670		760	5,430
Occupancy	22,457	5,199	4,881	32,537
Program expenses - LWC	151,680			151,680
Dues, fees and subscription	100		1,475	1,575
Postage and shipping	65	532	489	1,086
Printing and copying	175	291	2,444	2,910
Travel	<u>1,381</u>			<u>1,381</u>
Total expenses	<u>\$ 372,773</u>	<u>30,429</u>	<u>96,054</u>	<u>499,256</u>

See accompanying notes to financial statements.

BRANDWORKERS INTERNATIONAL, INC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows From Operating Activities

Change in net assets \$ 48,256

Adjustments to reconcile change in net assets to cash flows

Decrease in contributions receivable 405

Decrease in prepaid expense 2,500

Decrease in accounts payable and accrued expenses (1,362)

Total adjustments 1,543

Net cash provided by operating activities  
represent net increase in cash 49,799

Cash and cash equivalent at beginning of year 190,739

Cash and cash equivalent at end of year \$ 240,538

See accompanying notes to financial statements.

BRANDWORKERS INTERNATIONAL, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 1      Organization

Brandworkers International, Inc. (the “Organization”) was incorporated in 2009 under Section 402 of the New York Not-For-Profit Corporation Law. It was established to assist retail, food and allied workers to assert their rights and improve the living and working conditions of workers and their families.

Funding of the Organization’s programs is provided by grants from other organizations and individuals.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State code. However, tax years 2013, 2014 and 2015 are still subject to examinations by the Internal Revenue Service.

Note 2      Significant accounting policies  
Financial Statement Presentation

The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The classification of the Organization’s net assets and its support and revenue is based on the existence or absence of donor-imposed restrictions. It requires that the amount for each of the three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities.

These classes are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.



BRANDWORKERS INTERNATIONAL, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Note 2     Significant accounting policies (continued)  
Financial Statement Presentation (continued)

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

The Organization's net assets as at December 31, 2016 were made up of \$198,458 unrestricted and \$40,000 temporary restricted.

Grants and Contribution

All contributions are considered to be available for unrestricted use unless specifically restricted by the grantor.

Cash and Cash Equivalents

Cash is primarily consisted of cash held in checking and saving accounts at major financial institutions. The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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 certain 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.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the property or equipment. The Organization capitalizes any asset it determines will be maintained for an extended time over a period of five years.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash, grants and contract and program fees receivable, and accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these instruments. This measurement has remained the same as in prior years.

BRANDWORKERS INTERNATIONAL, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

- Note 2     Significant accounting policies (continued)  
Subsequent Events – Management has evaluated subsequent events and transactions that occurred after the statement of financial position date through September 28, 2017, the financial statement issuance date. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with accounting principles generally accepted in the United States of America. Management has determined that there are no unrecognized subsequent events that require additional disclosure.
- Note 3     Concentration  
Financial instruments that potentially subject the Organization to concentration risk consist principally of cash deposits. The Federal Deposit Insurance Corporation (“FDIC”) insures accounts at each institution. Currently, the FDIC insures accounts for up to \$250,000 per depositor. Management believes the exposure to credit risk is minimal.
- Note 4     Donations Receivable  
Donations receivable of \$300 at December 31, 2016 were from private sources and were due within one year.
- Note 5     Temporarily Restricted Net Assets  
Temporarily restricted net assets of \$40,000 at December 31, 2016 were designated for LWC Project.
- Note 6     Functional Allocations of Expenses  
The costs of providing various program and supporting services have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.