

**MADE IN BROWNSVILLE, INC.  
d.b.a. YOUTH DESIGN CENTER, INC.**

Not for Profit Organization

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

**MADE IN BROWNSVILLE, INC.**  
**TABLE OF CONTENTS**

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	<b>Pages</b>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT .....	1
 <b>Financial Statements for the Years Ended December 31, 2019 and 2018:</b>	
Statements of Financial Position .....	2
Statements of Activities and Changes in Net Assets.....	3
Statements of Functional Expenses.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 -10

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Made in Brownsville, Inc.  
Brooklyn, New York

I have reviewed the accompanying financial statements of Made in Brownsville, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, 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 entity 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.

### **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.

Brooklyn, New York  
January 19, 2020

## MADE IN BROWNSVILLE, INC.

### STATEMENTS OF FINANCIAL POSITION Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents - Note 2 (c )	\$ 92,694	\$ 78,818
Accounts Receivable - Note 3	17,147	17,520
Total Current Assets	<u>109,841</u>	<u>96,338</u>
Property & Equipment		
less accumulated depreciation & amortization - Note 4	<u>16,229</u>	<u>-</u>
Security Deposit - Note 5	<u>2,479</u>	<u>2,479</u>
<b>Total assets</b>	<b><u>\$ 128,549</u></b>	<b><u>\$ 98,817</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses - Note 7	<u>\$ 4,514</u>	<u>\$ -</u>
Total Current Liabilities	<u>4,514</u>	<u>-</u>
<b>NET ASSETS</b>		
Without donor restrictions - Note 2(i)	<u>124,035</u>	<u>98,817</u>
Total net assets	<u>124,035</u>	<u>98,817</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 128,549</u></b>	<b><u>\$ 98,817</u></b>

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

# MADE IN BROWNSVILLE, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS Years Ended December 31, 2019 and 2018

	December 31, 2019			December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT &amp; OPERATING REVENUE</b>						
<b>PUBLIC &amp; PRIVATE SUPPORT</b>						
Corporate	\$ 15,328	\$ -	\$ 15,328	\$ 57,749	\$ -	\$ 57,749
Foundations	292,500	-	292,500	263,000	-	263,000
Government	-	-	-	10,000	-	10,000
Grants	16,000	-	16,000	59,250	-	59,250
In-kind Contribution - Note 2(d)	44,000	-	44,000	-	-	-
Individual	30,441	-	30,441	-	-	-
Services	59,047.00	-	-	120,585	-	120,585
Less: Discount	(2,205.00)	-	-	-	-	-
Less: Services cost of sales	(13,903.00)	-	42,939	(23,810)	-	(23,810)
Other Income	1,519	-	1,519	9,413	-	9,413
Total Public & Private Support	442,727	-	442,727	496,187	-	496,187
<b>EXPENSES</b>						
Program services	346,460	-	346,460	213,440	-	213,440
Supporting services:						
Management and general	68,049	-	68,049	235,401	-	235,401
Fundraising	-	-	-	5,233	-	5,233
Total Supporting Services	68,049	-	68,049	240,634	-	240,634
Total Expenses	414,509	-	414,509	454,074	-	454,074
Change in Net Assets	28,218	-	28,218	42,114	-	42,114
Net assets, beginning of year	98,817	-	98,817	56,703	-	56,703
Prior Period Adjustments - Note 11	(3,000)	-	(3,000)	-	-	-
<b>Net assets, end of year</b>	<b>\$ 124,035</b>	<b>\$ -</b>	<b>\$ 124,035</b>	<b>\$ 98,817</b>	<b>\$ -</b>	<b>\$ 98,817</b>

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

# MADE IN BROWNSVILLE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES Years Ended December 31, 2019 and 2018

Expenses	Management &			2019	Management &			2018
	Program	General	Fundraising		Program	General	Fundraising	
Adverting/Promotional	\$ 518	\$ 696	\$ -	\$ 1,214	\$ 1,988	\$ -	\$ -	\$ 1,988
Telephone	-	2,254	-	2,254	-	2,435	-	2,435
Website Design & Maintenance	-	1,387	-	1,387	-	404	-	404
Bad Debts	-	1,060	-	1,060	-	-	-	-
Insurance	-	7,926	-	7,926	-	8,127	-	8,127
Fire & Safety Expenses	-	131	-	131	-	106	-	106
Fundraising	-	-	-	-	-	-	5,233	5,233
Leasehold Improvements	-	59	-	59	-	42,624	-	42,624
Rent	-	29,750	-	29,750	-	23,716	-	23,716
Repairs & Maintenance	-	305	-	305	-	740	-	740
Security & Alarm Systems	-	1,798	-	1,798	-	4,280	-	4,280
Utilities	-	660	-	660	-	4,879	-	4,879
Office Expense	15,439	1,833	-	17,272	254	10,029	-	10,283
Supplies	3,937	395	-	4,332	4,423	31,816	-	36,239
Miscellaneous	-	1,635	-	1,635	10,803	1,989	-	12,792
Sponsorship/Gift	-	800	-	800	-	481	-	481
Postage & Delivery	-	153	-	153	-	257	-	257
Accounting Services	-	4,000	-	4,000	-	-	-	-
Legal & Professional fee	-	4,597	-	4,597	466	-	-	466
Bank Service Charges/Credit Card fee	-	3,219	-	3,219	-	2,727	-	2,727
Travel	-	284	-	284	-	-	-	-
Transportation	579	2,086	-	2,665	783	5,838	-	6,621
Conferences	-	1,758	-	1,758	-	207	-	207
Software Expenses	4,279	-	-	4,279	5,479	-	-	5,479
Software Expenses - Inkind	44,000	-	-	44,000	-	-	-	-
Equipment	20,404	-	-	20,404	46,253	-	-	46,253
Food & Snacks	64	-	-	64	1,252	-	-	1,252
Printing & Copying	312	-	-	312	223	-	-	223
Special Events	1,916	-	-	1,916	3,958	-	-	3,958
Salary & Wages	233,451	-	-	233,451	194,480	-	-	194,480
Payroll Taxes	15,002	-	-	15,002	37,324	-	-	37,324
Penalties & Fines	1,600	-	-	1,600	-	500	-	500
Depreciation Expenses	4,959	-	-	4,959	-	-	-	-
Amortization expenses	-	1,263	-	1,263	-	-	-	-
<b>Total Expenses</b>	<b>\$ 346,460</b>	<b>\$ 68,049</b>	<b>\$ -</b>	<b>\$ 414,509</b>	<b>\$ 307,686</b>	<b>\$ 141,155</b>	<b>\$ 5,233</b>	<b>\$ 454,074</b>

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

# MADE IN BROWNSVILLE, INC.

## STATEMENTS OF CASH FLOWS Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 28,218	\$ 42,114
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & Amortization of Fixed Assets	6,222	-
Prior Period Adjustment	(3,000)	-
<b>(Increase) decrease in assets:</b>		
Accounts Receivable	373	(17,520)
Security Deposit	-	(2,479)
<b>Increase in liabilities:</b>		
Accounts Payable	4,514	-
	<u>36,327</u>	<u>22,115</u>
<b>Net cash provided by operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchased of fixed Assets	<u>(22,451)</u>	<u>-</u>
	<u>(22,451)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		
Net Increase in cash and cash equivalents	13,876	22,115
Cash and cash equivalents, beginning of year	<u>78,818</u>	<u>56,703</u>
<b>Cash and cash equivalents, end of fiscal year</b>	<u>\$ 92,694</u>	<u>\$ 78,818</u>

**MADE IN BROWNSVILLE, INC.  
d.b.a Youth Design Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**Note 1. DESCRIPTION OF ORGANIZATION**

Made In Brownsville, Inc. (MIB) was incorporated in 2016 under the State of New York as a not for profit organization pursuant to section 501(c) (3) of the Internal Revenue Code. The organization registered as a d.b.a. in 2020 as Youth Design Center, Inc. MIB mission is to reduce the number of disconnected youth in Brownsville by lowering their barriers to entry to the STEAM professions and increasing their relevant experience in the innovation economy. In addition, the organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) of the Internal Revenue Code.

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by MIB are described subsequently to enhance the usefulness and understandability of the financial statements.

**(b) BASIS OF ACCOUNTING**

The financial statements of MIB have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all receivables and payables.

**(c) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of bank deposit in the amount of \$92,694 and \$78,818 as of December 31, 2019 and 2018, respectively. MIB maintains cash balance at Amalgamated Bank, located in New York, New York. Deposit account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. At December 31, 2019, the organization's bank balance was fully FDIC insured

**(d) DONATED SERVICES AND IN-KIND SUPPORT**

The Organization may receive services, equipment and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the organization. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation. In addition, volunteers provided services to MIB programs that did not meet the criteria for recognition.



**MADE IN BROWNSVILLE, INC.  
d.b.a Youth Design Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**(d) DONATED SERVICES AND IN-KIND SUPPORT (Continued)**

Software application was donated to the organization in 2019 which is recognized as In-kind contribution of \$44,000 and software expense of \$44,000.

**(e) ACCOUNTS RECEIVABLE**

Accounts receivable are recorded when allowable expenses are incurred by MIB. Revenue is recognized when earned. A reserve for uncollectible accounts is recorded in order to reflect management's estimate of those receivables deemed uncollectible.

**(f) REVENUE RECOGNITION**

Contributions received are recorded as Without Donor Restrictions or With Donor Restrictions, depending on the existence and/or nature of any donor restrictions. Grants, services and contributions revenues are recognized when the allowable expenses are incurred.

**(g) ADVERTISING**

Advertising costs are charged to operations when incurred. Advertising expenses totaled \$212 for the period ended December 31, 2019.

**(h) USE OF ESTIMATES**

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Accordingly, actual results could differ from those estimates.

**(i) BASIS OF PRESENTATION**

The financial statement presentation is in conformity with accounting principles generally accepted in the United States of America for nonprofit organizations, which requires MIB report information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions – Net assets whose use is limited by donor-impose time and/or purpose restrictions.

**MADE IN BROWNSVILLE, INC.  
d.b.a Youth Design Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**(j) FUNCTIONAL ALLOCATION EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses are charged to each program based on direct expenditures. However, certain indirect costs, primarily administrative salaries and related general overhead expenses are allocated to various programs based on percentage of direct payroll.

**(k) RELATED PARTY**

There were no related party transactions as of January 19, 2020 that need to be disclosed.

**(l) INCOME TAX STATUS**

The financial Accounting Standards Board (FASB) issued FASB ASC 740-10 which requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could occur to jeopardize their tax-exempt status. However, the MIB has no knowledge of events or circumstances that would jeopardize its tax-exempt status.

**Note 3. ACCOUNTS RECEIVABLE**

The accounts receivable balance for the year, represents services rendered and billed, and expenses incurred before year-end for which the reimbursement from government agency is expected to be received in the subsequent period in the total amount of \$17,147 and \$17,147 as of December 31, 2019 and 2018, respectively.

**Note 4. PROPERTY & EQUIPMENT**

Equipment & Leasehold Improvements on December 31<sup>st</sup> are summarized as follow:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 14,876	\$ -
Accumulated Depreciation	(4,959)	-
Leasehold Improvements	7,575	-
Accumulated Amortization Leasehold Improvements	(1,263)	-
Total	<u>\$ 9,917</u>	<u>\$ -</u>

**MADE IN BROWNSVILLE, INC.  
d.b.a Youth Design Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**Note 5. SECURITY DEPOSIT**

Security deposits consist of \$2,479 for lease space rented from 127-129 Osborn Street LLC for 3 years lease that expires on April 30, 2021.

**Note 6. FUTURE LEASE**

MIB has 3 years lease obligation with 127-129 Osborn Street LLC starting on May 1, 2018 – April 30, 2021 and the remaining lease payments are:

<u>Year</u>	<u>Total</u>
2020	\$29,750
2021	<u>9,917</u>
	<u>\$39,657</u>

**Note 7. ACCOUNTS PAYABLE & ACCRUED EXPENSES**

At the present time, the organization has outstanding accounts payable of \$4,514 as of December 31, 2019.

**Note 8. LIQUIDITY**

The organization manages its liquidity by planning program services in accordance with the funds received. The following represent the organization financial assets as of December 31, 2019:

Cash and Cash equivalents – Note 2(c)	\$92,694
Grants Receivable – Note 3	<u>17,147</u>
Financial assets available to meet general Expenses over the next twelve months	<u>\$109,841</u>

**Note 9. SUBSEQUENT EVENTS**

MIB has reviewed for subsequent events through January 19, 2021, the date the financial statements were available to be issued. No subsequent events were identified.

**MADE IN BROWNSVILLE, INC.  
d.b.a Youth Design Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**Note 10. PRIOR PERIOD ADJUSTMENTS**

Net assets as of the beginning of the fiscal year have been adjusted to decrease net assets for adjustments to balances not previously recognized in prior years. The correction has no effect on the results of the current year's activities; however, the cumulative effect decreased net assets by \$3,000.

**Note 11. COVID-19**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Project characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the project's operations. At this time, it is not possible to estimate the effect this will have on the financial position or results of operations for the year. Future potential impacts may include further disruptions or restrictions on employees' ability to work or on grantors' and donors' ability to contribute funds. The future effects of these issues are unknown.