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GANDHI BRIGADE INCORPORATED

FINANCIAL STATEMENTS

Year Ended June 30, 2015 (Audited) with Comparative Totals for the Year Ended June 30, 2014 (Reviewed)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Gandhi Brigade Incorporated

We have audited the accompanying financial statements of Gandhi Brigade Incorporated, (a not-for-profit organization) which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flow 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 from 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 Gandhi Brigade Incorporated as of June 30, 2015, and the 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.

Report on Summarized Comparative Information

The 2014 financial statements of Gandhi Brigade Incorporated were reviewed by other accountants whose report dated January 8, 2015, stated that, based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2014, for it to be consistent with the reviewed financial statements from which it has been derived.

Canil Lett CEA

May 25, 2016

STATEMENTS OF FINANCIAL POSITION

June 30, 2015 (Audited) and 2014 (Reviewed)

	2015	2014
ASSETS	2020	
Current Assets		
Cash	\$ 72,763	\$ 15,217
Grants receivable	41,308	6,750
Total Current Assets	114,071	 21,967
Other Assets		
Security deposit	200	200
Total Assets	\$ 114,271	\$ 22,167
I LADII ITIES AND NET ASSETS		
Current Liabilities		
Current Liabilities Accounts payable	\$ 16,867	\$ 18,853
Current Liabilities Accounts payable Accrued payroll	3,933	\$ -
Current Liabilities Accounts payable Accrued payroll Line of credit	3,933 5,722	\$ 7,401
Current Liabilities Accounts payable Accrued payroll	3,933	\$ -
Current Liabilities Accounts payable Accrued payroll Line of credit Total Current Liabilities	3,933 5,722	\$ 7,401
Current Liabilities Accounts payable Accrued payroll Line of credit Total Current Liabilities	3,933 5,722	\$ 7,401 26,254
Current Liabilities Accounts payable Accrued payroll Line of credit Total Current Liabilities Net Assets	3,933 5,722 26,522	\$ 7,401 26,254
Accrued payroll Line of credit Total Current Liabilities Net Assets Unrestricted	3,933 5,722 26,522 79,729	\$ 7,401

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2015 (Audited) and 2014 (Reviewed)

	2015 Temporarily						2014		
							Summarized		
	Un	restricted	R	estricted	Total			Total	
Support and Revenue									
Governmental grants	\$	1,500	\$	222,030	\$	223,530	\$	76,000	
Other grants & contributions		41,595		89,980		131,575		147,662	
Fee for service		15,390				15,390		15,766	
Other		-		-		-		1,401	
Total Support and Revenue		58,485		312,010		370,495		240,829	
Net assets released from restrictions									
Satisfaction of purpose or time	-	303,990		(303,990)		-			
Total Support and Revenue		362,475		8,020		370,495		240,829	
Expenses									
Program services		179,513				179,513		159,517	
Management & general		80,781				80,781		69,200	
Fundraising		18,365				18,365		26,888	
Total Expenses		278,659		-		278,659		255,605	
Change in Net Assets		83,816		8,020		91,836		(14,776)	
Net Assets, Beginning of Year		(4,087)		_		(4,087)		10,689	
Net Assets, End of Year	\$	79,729	\$	8,020	\$	87,749	\$	(4,087)	

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2015 (Audited) and 2014 (Reviewed)

2015						2014			
	Management				Su	ımmarized			
	F	Programs	&	General	Fu	ndraising	Total		Total
Expense									
Independent contractors	\$	127,211	\$	34,445	\$	14,009	\$ 175,665	\$	45,711
Salaries & benefits		34,656		24,295		2,397	61,348		169,937
Accounting fees		-		14,450		-	14,450		10,525
Rent		5,767		1,648		610	8,025		12,705
Technology costs		2,944		1,004		-	3,948		915
Supplies		1,968		1,342		301	3,611		4,010
Insurance		1,518		836		296	2,650		2,162
Travel & meetings		2,503		-		-	2,503		580
Interest expense		-		1,651		318	1,969		684
Telecommunications		991		523		196	1,710		3,226
Food		1,555		85		_	1,640		1,686
Printing & photocopying		400		-		234	634		1,657
Other		-		502		4	506		1,807
Total Expenses	\$	179,513	\$	80,781	\$	18,365	\$ 278,659	\$	255,605

STATEMENTS OF CASH FLOW

Years Ended June 30, 2015 (Audited) and 2014 (Reviewed)

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ 91,836	\$ (14,776)
To convert to cash basis, add items not requiring cash:		
(Increases) Decreases in changes in:		
Grants receivable	(34,558)	21,505
Increases (Decreases) in changes in:		
Accounts payable	(1,985)	(2,043)
Accrued payroll	3,933	(2,718)
Net Cash Provided by Operating Activities	 59,226	1,968
Cash Flows from Financing Activities		
Proceeds from credit line	-	14,900
Payments on credit line	 (1,679)	(7,499)
Net Cash (Used for) Provided by Financing Activities	 (1,679)	7,401
Net Increase in Cash	57,547	9,369
Cash, Beginning of Period	15,216	5,847
Cash, End of Period	\$ 72,763	\$ 15,216
Supplemental Disclosures		
Cash paid during the period for:		
Interest	\$ 1,969	\$ 684

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 (Audited) and 2014 (Reviewed)

Note 1 NATURE OF ACTIVITIES

The Gandhi Brigade Incorporated (Gandhi or the Organization) was incorporated in the state of Maryland in 2008 as a not-for-profit corporation. The mission of the Organization is to prepare youth to become powerful leaders by teaching and empowering them to use multimedia as tools to promote community building, multicultural understanding and the common good. Youth are prepared for leadership through the integration of spirituality, entrepreneurship and community relationships.

A brief description of Gandhi's major programs follows:

Promoters (formerly Producers) Promoters are a cadre of youth who have committed themselves to a year of media and leadership training to enhance youth voices and promote their neighborhoods. Weekly meetings are planned and facilitated by youth members, allowing them to grow their individual and collective power through the development of self, peers and community. Promoters develop their full talents as human beings through the mastery of public speaking, group facilitation, critical thinking and communications. Promoters regularly attend public forums and testify on issues of importance to them and their peers.

Mentoring programs Gandhi sponsors several collaborative projects with the aim of encouraging, supporting and empowering local youth, particularly in poor communities, to lead healthier lifestyles through positive youth development, mentorship and exposure to the arts. Youth are given the opportunity to gain experience creating individual and collaborative art, and showcasing their artistic expression, collaboration and project management skills to the community.

Youth Media Festival Youth from across the DC region, the United States and the globe have participated in the Youth Media Festival. The festival showcases the best media produced in Montgomery County, while also hosting workshops and panels that further educate the general public.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when the obligation is incurred; not necessarily when received or paid.

Basis of Presentation The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) topic, *Presentation of Financial Statements of Not-for-Profit Entities*.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 (Audited) and 2014 (Reviewed)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the ASC topic, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the purposes specified in its corporate documents and application for tax-exempt status, and those resulting from contractual agreements with creditors or others that are entered into in the course of its operations.

Temporarily restricted net assets are resources that are restricted by a donor for a particular purpose or a particular time period. Grants and contributions are reported as temporarily restricted support if the donor limits the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or the Organization fulfills the requirements of the gift, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net assets released from restrictions."

Permanently restricted net assets are resources whose use by the Organization is limited by donor-imposed restrictions that expire neither by satisfying a specified purpose nor by the passage of time. The Organization has no permanently restricted net assets.

Cash Cash consists of amounts on deposit with banks. For the purpose of reporting cash flows, all checking accounts, demand deposits and short-term investments with an original maturity of three months or less are treated as cash.

Grant Receivables Grant receivables represent amounts due from private foundations and the state and local government in accordance with grant terms. These items represent unconditional promises to give and are expected to be paid within 30 days of the invoice date. Management believes all outstanding grants receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Property and Equipment Property and equipment are recorded at cost, if purchased and at fair value if donated. Acquisitions are capitalized if the item has a cost of \$1,500 or more and a useful life, when acquired, of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance expenditures are charged to expense as incurred. As of the date of these financial statements the Organization has no capitalized assets.

Support and Revenue The Organization receives a substantial portion of its support from grants and charitable contributions. Gandhi also produces media projects for a fee, which are classified in the accompanying financial statements as "Fee for service" revenue.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 (Audited) and 2014 (Reviewed)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and other support are reported as increases in unrestricted or temporarily restricted net assets, depending on the existence and nature of any donor restrictions. Conditional promises to give are not included as support until all conditions have been substantially met.

Expense Recognition and Allocation The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, as are advertising costs. All expenses are reported as decreases in unrestricted net assets.

Donated Services A significant number of volunteers have donated a considerable number of hours to support the operations of the Organization. However, these services do not meet the criteria for recognition as contributed services. The Organization generally pays for services requiring a specific expertise.

Income Tax Status The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose. If the Organization were to incur interest or penalties, they would be expensed as incurred. Contributions to the Organization are tax deductible by donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure 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.

Prior Year Summarized Information. The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information for the year ended June 30, 2014 should be read in conjunction with the organization's financial statements from which the summarized information was derived.

Reclassifications Certain reclassifications were made to the 2014 financial statements presentation in order to conform to the 2015 financial statements presentation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 (Audited) and 2014 (Reviewed)

Note 3 TEMPORARILY RESTRICTED NET ASSETS

The following table summarizes the Organization's temporarily restricted net assets as of June 30, 2015:

	Beginning			Ending
	Balance	Additions	Released	Balance
Time Restricted	\$ 0	\$ 40,000	\$ (40,000)	\$ 0
Purpose Restricted:				
Promoters program	0	221,157	(213,137)	8,020
Mentoring/outreach	0	35,916	(35,916)	0
Bookkeeping	0	14,062	(14,062)	0
Media projects	0	875	(875)	0
Total	\$ 0	\$ 312,010	\$ (302,990)	\$ 8,020

The Promoters program restricted funds are expected to be released by 2017.

Note 4 LINE OF CREDIT

The Organization had a line of credit in the amount of \$7,500 that was guaranteed by the personal assets of the former Executive Director who passed away. The line had no expiration date, could not be withdrawn and bore interest at 16.80%. The outstanding balance on the line was \$5,722 at June 30, 2015, and interest expense for the year ended June 30, 2015 was \$1,140. Subsequent to year end, the line of credit has been paid in full and is no longer being used.

Note 5 OFFICE LEASE

The Organization leases space in a small theatre located in Silver Spring, Maryland under a month-to-month agreement. The monthly amount is \$375. Additionally, the Organization rents space on an as needed basis to accomplish specific programs. Total rent expense for the year ended June 30, 2015 was \$8,025.

Note 6 INCOME TAXES

The Organization files income tax returns in the U.S. federal jurisdiction. With few exceptions, the Organization is no longer subject to income tax examinations by tax authorities for fiscal years ended before June 30, 2013. The organization did not conduct unrelated business activities during the fiscal year ended June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 (Audited) and 2014 (Reviewed)

Note 7 MAJOR CONTRIBUTORS, CONCENTRATIONS & CONTINGENCIES

During the year ended June 30, 2015, the Company received in excess of 10% of total support and revenue from two (2) governmental (state and local) agencies totaling \$222,030. The grants receivable balance at June 30, 2015 from these agencies was \$37,670.

The majority of the support and revenue comes from the local government, private foundations and individuals located in the Maryland and District of Columbia metropolitan area. As such, the Organization's ability to generate resources via contributions and grants is dependent upon the economic health of this region. An economic downturn could cause a decrease in support received.

The governmental grants received by the Organization are subject to compliance audits by the agencies or their representatives. As such, there is a possibility that costs could be questioned. Management does not anticipate any significant adjustments as a result of such an audit.

The Federal Deposit Insurance Corporation (FDIC) ensures up to \$250,000 per federally chartered financial institution. The Organization maintained no cash balances in excess of the \$250,000 FDIC limit as of June 30, 2015,

Note 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2016, the date which the financial statements were available for issue. During this period, no material recognizable events were noted.