

GENESYS WORKS

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT**

YEARS ENDED DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Genesys Works
Houston, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Genesys Works, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Genesys Works as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Genesys Works and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Genesys Works' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Genesys Works' 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 Genesys Works' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The site-specific statements of financial position and activities are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Fort Worth, Texas
July 26, 2022

GENESYS WORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 9,538,451	\$ 10,247,120
Investments	-	15,719
Accounts Receivable, Net	2,719,910	1,925,315
Contributions Receivable	763,220	133,607
Prepaid Expenses and Other Assets	328,571	468,058
Property and Equipment, Net	653,987	654,321
Total Assets	\$ 14,004,139	\$ 13,444,140
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 410,191	\$ 274,786
Accrued Expenses and Other Payables	1,339,383	1,296,342
Deferred Revenue	41,631	74,498
Paycheck Protection Program Notes Payable - See Note 10	241,915	3,947,862
Line of Credit	201,500	201,065
Total Liabilities	2,234,620	5,794,553
NET ASSETS		
Without Donor Restrictions	10,776,884	7,030,307
With Donor Restrictions	992,635	619,280
Total Net Assets	11,769,519	7,649,587
Total Liabilities and Net Assets	\$ 14,004,139	\$ 13,444,140

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 10,081,519	\$ 1,897,902	\$ 11,979,421
In-Kind Contributions	338,271	-	338,271
Net Assets Released from Restrictions	1,524,547	(1,524,547)	-
Total Public Support	11,944,337	373,355	12,317,692
Revenues - Program Service Fees	16,286,203	-	16,286,203
Other Income	107,115	-	107,115
Investment Loss	(3,748)	-	(3,748)
Total Public Support, Revenues, and Other	28,333,907	373,355	28,707,262
EXPENSES			
Student Program	19,784,258	-	19,784,258
Management and General	2,220,424	-	2,220,424
Fundraising	2,582,648	-	2,582,648
Total Expenses	24,587,330	-	24,587,330
CHANGE IN NET ASSETS	3,746,577	373,355	4,119,932
Net Assets - Beginning of Year, As Restated	7,030,307	619,280	7,649,587
NET ASSETS - END OF YEAR	\$ 10,776,884	\$ 992,635	\$ 11,769,519

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 6,326,384	\$ 1,685,532	\$ 8,011,916
In-Kind Contributions	415,368	-	415,368
Net Assets Released from Restrictions	2,632,275	(2,632,275)	-
Total Public Support	9,374,027	(946,743)	8,427,284
Revenues - Program Service Fees	14,749,623	-	14,749,623
Other Income	157,709	-	157,709
Investment Income	11,681	-	11,681
Total Public Support, Revenues, and Other	24,293,040	(946,743)	23,346,297
EXPENSES			
Student Program	20,545,790	-	20,545,790
Management and General	2,413,420	-	2,413,420
Fundraising	2,225,550	-	2,225,550
Total Expenses	25,184,760	-	25,184,760
CHANGE IN NET ASSETS	(891,720)	(946,743)	(1,838,463)
Net Assets - Beginning of Year	7,922,027	1,566,023	9,488,050
NET ASSETS - END OF YEAR	\$ 7,030,307	\$ 619,280	\$ 7,649,587

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Student Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, Benefits, and Taxes - Students	\$ 9,985,948	\$ -	\$ -	\$ 9,985,948
Salaries, Benefits, and Taxes - Staff	7,265,992	1,292,676	1,835,072	10,393,740
Other Expenses:				
Facilities Rent and Expenses	372,160	109,660	86,320	568,140
Professional Services	309,321	383,306	319,094	1,011,721
Technology and Communications	889,811	199,741	26,265	1,115,817
Transportation	80,966	4,337	2,462	87,765
Fundraising Events	81,032	2,859	244,904	328,795
Other Miscellaneous Expenses	215,554	46,706	40,730	302,990
Professional Development	78,739	105,699	1,923	186,361
Marketing Expenses	233,034	6,733	8,604	248,371
Insurance	98,940	33,042	-	131,982
Supplies and Materials	17,755	5,618	1,473	24,846
Total Expenses by Function	<u>19,629,252</u>	<u>2,190,377</u>	<u>2,566,847</u>	<u>24,386,476</u>
Depreciation of Property and Equipment	<u>155,006</u>	<u>30,047</u>	<u>15,801</u>	<u>200,854</u>
 Total Expenses Included in the Expense Section on the Statement of Activities	 <u><u>\$ 19,784,258</u></u>	 <u><u>\$ 2,220,424</u></u>	 <u><u>\$ 2,582,648</u></u>	 <u><u>\$ 24,587,330</u></u>

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Student Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, Benefits, and Taxes - Students	\$ 9,622,343	\$ -	\$ -	\$ 9,622,343
Salaries, Benefits, and Taxes - Staff	7,408,277	1,456,424	1,661,871	10,526,572
Other Expenses:				
Facilities Rent and Expenses	686,861	140,952	109,476	937,289
Professional Services	919,685	432,582	267,557	1,619,824
Technology and Communications	842,764	191,127	15,281	1,049,172
Transportation	172,495	7,668	4,252	184,415
Fundraising Events	57,819	2,388	85,817	146,024
Other Miscellaneous Expenses	256,787	51,271	37,437	345,495
Professional Development	62,100	29,354	9,608	101,062
Marketing Expenses	314,478	22,884	18,164	355,526
Insurance	81,916	37,651	-	119,567
Supplies and Materials	39,159	12,038	3,188	54,385
Total Expenses by Function	<u>20,464,684</u>	<u>2,384,339</u>	<u>2,212,651</u>	<u>25,061,674</u>
Depreciation of Property and Equipment	<u>81,106</u>	<u>29,081</u>	<u>12,899</u>	<u>123,086</u>
 Total Expenses Included in the Expense Section on the Statement of Activities	 <u><u>\$ 20,545,790</u></u>	 <u><u>\$ 2,413,420</u></u>	 <u><u>\$ 2,225,550</u></u>	 <u><u>\$ 25,184,760</u></u>

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,119,932	\$ (1,838,463)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	200,854	123,086
Forgiveness of Paycheck Protection Program Note Payable	(3,028,777)	-
Bad Debt Expense	30,248	77,111
(Increase) Decrease in Assets:		
Accounts Receivable, Net	(824,843)	566,828
Contributions Receivable	(629,613)	1,476,409
Prepaid Expenses and Other Assets	139,487	(174,581)
Increase (Decrease) in Liabilities:		
Accounts Payable	135,405	6,669
Accrued Expenses and Other Payables	43,041	443,472
Deferred Revenue	(32,867)	(72,664)
Net Cash Provided by Operating Activities	152,867	607,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(138,416)
Sales of Investments	15,719	122,695
Purchases of Property and Equipment	(200,521)	(265,061)
Net Cash Used by Investing Activities	(184,802)	(280,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Note Payable	-	3,947,862
Payment on Paycheck Protection Program Note Payable	(677,170)	-
Proceeds from Line of Credit	200,097	-
Payments on Line of Credit	(199,661)	(271)
Net Cash Provided (Used) by Financing Activities	(676,734)	3,947,591
CHANGE IN CASH AND CASH EQUIVALENTS	(708,669)	4,274,676
Cash and Cash Equivalents - Beginning of Year	10,247,120	5,972,444
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,538,451	\$ 10,247,120
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 21,404	\$ 7,608

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Genesys Works is a Texas nonprofit corporation incorporated on April 7, 2002. Genesys Works is the sole member in the following subsidiaries: Genesys Works Twin Cities, which was formed April 7, 2009 as a Minnesota nonprofit corporation; Genesys Works Houston, which was formed December 21, 2009 as a Texas nonprofit corporation; Genesys Works Chicago, which was formed December 21, 2009 as a Texas nonprofit corporation; and Genesys Works Bay Area, which was formed December 13, 2012 as a Texas nonprofit corporation. Genesys Works also has sites in the National Capital Region and New York City, both of which have been formed under the Genesys Works incorporation.

Genesys Works and its subsidiaries (hereafter referred to as Genesys, we, us, our) provide pathways to career success for high school students in underserved communities through skills training, meaningful work experiences, and impactful relationships.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Genesys Works and its subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation.

Financial Statement Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for operations and are not limited by donor restrictions. The board of directors (board) may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion. As of December 31, 2021 and 2020, we did not have any funds designated by the board for specific purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor or grantor-imposed time and/or purpose restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

If donor- or grantor-imposed restrictions are met in the same reporting period as the contribution or grant is recognized as revenue, we report such amount as an increase in net assets without donor restrictions. All other donor- or grantor-restricted contributions and grants are reported as increases in net assets with donor restrictions, and when the restriction expires or is satisfied, these net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

We consider all cash and highly liquid investments with an initial maturity of three months or less, which are neither held for, nor restricted by donors for long-term purposes, to be cash and cash equivalents and available for current use. We place cash which, at times, may exceed federally insured limits with high-credit-quality institutions. We have not experienced any losses on such amounts.

Accounts Receivable

Accounts receivable consists primarily of amounts owed to us by the private and public sector for services provided through our internship training program. We record an allowance for uncollectible accounts when it is believed that any amounts receivable may not be collected in full. The amount of bad debt expense recorded each period is based on a customer-by-customer analysis, combined with historical collection experience. Accounts receivable are written off when deemed uncollectible, generally after a year. At December 31, 2021 and 2020, the allowance was \$39,970 and \$36,424, respectively.

Investments

Investments, consisting of equities, are stated at their current market values. Equity securities are comprised of individual equity shares of publicly traded companies. Investment return consists of interest and dividend income, realized gains or losses, and unrealized gains or losses, net of investment advisory fees.

No investments held as of December 31, 2021. All investments held as of December 31, 2020 are considered to be Level 1.

Contributions Receivable

We record unconditional promises to give that are expected to be collected within one year at net realizable value. If material, discounts to present value are recorded for unconditional promises to give that are expected to be collected over periods in excess of one year. The present value discounts, if any, are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue and is reported within the asset class in which the contribution was originally reported.

Property and Equipment

We record property and equipment at acquisition cost or, if donated, at estimated fair value at the date of donation. We have established a \$5,000 threshold amount for minimum capitalization. Depreciation and amortization is computed by the straight-line method over the following estimated useful lives:

Equipment	5 to 7 Years
Furniture and Fixtures	5 to 10 Years
Vehicles	5 Years
Software	5 Years
Leasehold Improvements	Remaining Term of Lease

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

When assets are sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets or do not meet the \$5,000 threshold are expensed currently.

Revenue Recognition

Program service fees represent amounts charged to customers based on established hourly billing rates for services provided by the students through our internship training program. Program service fees received in advance are deferred to the applicable period in which the related services are performed.

Contributions are recognized contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Conditional promises to give are those that contain a measurable performance obligation or other barrier, as well as a right of return, and are not recognized until the conditions on which they depend have been met. If funds are received in advance of the condition being met, they are recorded as deferred revenue and are recognized as revenue once the conditions have been met.

Consequently, at December 31, 2021 and 2020 contributions totaling \$64,600 and \$1,274,027, respectively, have not been recognized in the accompanying consolidated statements of activities because the conditions on which they depend has not yet been met.

Contributed property and equipment is recorded at fair value at the date of donation and recognized as unrestricted support unless the donor specifies how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor-restricted support and absent explicit donor stipulations about how long those long-lived assets must be maintained, are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services that meet the recognition requirements of U.S. GAAP are recorded at fair value.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The expenses of providing the program and activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain expenses have been allocated among the program and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated based on estimates of time and effort.

Income Taxes

Genesys Works is a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC). The subsidiaries of Genesys Works are recognized as tax exempt under the IRS group exemption number 5640. We file two Return of Organization Exempt From Income Tax (Form 990) with the IRS – one return for Genesys Works and one group return for the subsidiaries.

All entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that each entity is not subject to unrelated business income tax and accordingly, have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

U.S. GAAP requires that management evaluate tax positions taken by Genesys Works and recognize a tax liability if Genesys Works has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by Genesys Works and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the consolidated financial statements. Genesys Works is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects financial assets at December 31, 2021 and 2020, reduced by amounts not anticipated to be available for general expenditure within one year of the consolidated statement of financial position date. Financial assets are considered unavailable when illiquid or they are not convertible to cash within one year. Financial assets are available for general expenditure if they do not have donor or other restrictions limiting their use.

Financial Assets Available Within One Year:	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 9,538,451	\$ 10,247,120
Accounts Receivable	2,719,910	1,925,315
Contributions Receivable	763,220	133,607
Investments	-	15,719
Prepaid rent for 2021	-	165,541
Total With Donor Restrictions	<u>13,021,581</u>	<u>12,487,302</u>
Amounts Unavailable for General Expenditure Within One Year:		
Restricted by Donors	<u>(992,635)</u>	<u>(619,280)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 12,028,946</u>	<u>\$ 11,868,022</u>

As part of our liquidity management plan, we invest cash through a daily sweep program with our financial institution, which sweeps a portion of our available cash in our bank accounts into overnight money market mutual fund investments. These short-term investment earnings are deposited to the accounts monthly.

As more fully described in Note 8, we have committed lines of credit totaling \$1,200,000, which we can draw upon in the event of an unanticipated liquidity level. At December 31, 2021 these lines of credit had \$998,500 available to be drawn.

NOTE 3 FAIR VALUE MEASUREMENTS

We report certain assets at fair value in the combined financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of the Organization’s investment assets are classified within Level 1 because they comprise actively traded stocks and open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization invests in Certificates of Deposit traded in the financial markets. Those Certificates of Deposit and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

There were no fair value assets held at December 31, 2021. Fair values of assets measured on a recurring basis are as follows at December 31:

	2020			Total
	Level 1	Level 2	Level 3	
Equities	\$ 15,719	\$ -	\$ -	\$ 15,719
Total	\$ 15,719	\$ -	\$ -	\$ 15,719

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31 are estimated to be collected as follows:

	2021	2020
Contributions and Grants Receivable:		
Within One Year	\$ 763,220	\$ 133,607
In One to Five Years	-	-
Total Contributions and Grants Receivable	\$ 763,220	\$ 133,607

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 300,308	\$ 300,308
Furniture and Fixtures	216,153	216,153
Vehicles	27,218	27,218
Software	277,784	94,706
Leasehold Improvements	1,128,242	815,738
Construction in Process	-	295,061
Total	<u>1,949,705</u>	<u>1,749,184</u>
Less: Accumulated Depreciation and Amortization	<u>(1,295,718)</u>	<u>(1,094,863)</u>
Property and Equipment, Net	<u>\$ 653,987</u>	<u>\$ 654,321</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$200,854 and \$123,086, respectively.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 and 2020, net assets with donor restrictions were available for the following:

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Internship Training Program	\$ 186,390	\$ 125,791
Site Growth	-	150,000
Digital Equity Program	-	229,000
Kimpton Scholar	-	22,289
Student Success Fund	101,660	-
Accelerator Program	91,097	-
Cybersecurity Training	20,000	-
Scholarship	5,000	-
Total	<u>404,147</u>	<u>527,080</u>
Time Restricted	<u>588,488</u>	<u>92,200</u>
Total Net Assets with Donor Restrictions	<u>\$ 992,635</u>	<u>\$ 619,280</u>

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 EMPLOYEE BENEFIT PLAN

We sponsor a tax-deferred profit-sharing plan qualified under IRC Section 403(b) covering substantially all full-time employees. Employee contributions are voluntary and may not exceed the limit allowed by the IRS. We match 50% of the amount contributed by the employee, up to 6% of the employee's base salary. During the years ended December 31, 2021 and 2020, we matched employee voluntary contributions, resulting in contributions to the plan of \$49,507 and \$80,458, respectively.

NOTE 8 LINES OF CREDIT

During 2018, we established individual lines of credit of \$400,000 for Genesys Works Bay Area, Genesys Works Chicago and Genesys Works. The final availability date for these lines of credit may be determined by the bank at any time, at which time any amounts outstanding under the lines of credit convert to a term note. In 2018, Genesys Works Bay Area drew down \$200,000 to assist in meeting its immediate general operating needs. In 2021, that amount was paid off and an additional \$200,000 drawn down. The Genesys Works Bay Area line of credit is guaranteed by Genesys Works and bears interest at the LIBOR Rate plus 3.12%, payable monthly. As of December 31, 2021 and 2020, the outstanding balance on the line of credit was \$201,500 and \$201,065, respectively.

NOTE 9 OPERATING LEASES

We lease equipment and office space under various operating lease agreements that expire through the year 2031. Future minimum annual lease payments under these leases at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 655,761
2023	641,269
2024	553,564
2025	538,885
2026	233,236
Thereafter	727,360
Total	<u>\$ 3,350,075</u>

Rental expense for the years ended December 31, 2021 and 2020 totaled \$519,289 and \$826,576, respectively.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

Genesys Works received loans from JPMorgan Chase Bank totaling \$3,947,862 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan) broken out by subsidiary as noted below. The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 0.98% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if Genesys Works fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period is 6 months from the loan date and is the time that a business has to spend their PPP Loan funds.

- Genesys Works National obtained \$766,401 on April 21, 2020;
- Genesys Works Twin Cities obtained \$1,299,593 on April 20, 2020;
- Genesys Works Houston obtained \$919,085 on April 15, 2020;
- Genesys Works Chicago obtained \$581,704 on April 17, 2020; and
- Genesys Works Bay Area obtained \$381,079 on April 21, 2020.

On June 10, 2021, Genesys Works Chicago received notification from JPMorgan Chase Bank that the forgiveness application for the loan awarded under the Paycheck Protection Program of the CARES Act in the amount of \$581,704 had been reviewed and formally forgiven by the SBA, and that JPMorgan Chase Bank had received payment in full for such. This amount is included in contributions on the consolidated statement of activities.

On June 11, 2021, Genesys Works National received notification from JPMorgan Chase Bank that the forgiveness application for the loan awarded under the Paycheck Protection Program of the CARES Act in the amount of \$766,401 had been reviewed and formally forgiven by the SBA, and that JPMorgan Chase Bank had received payment in full for such. This amount is included in contributions on the consolidated statement of activities.

On September 2, 2021, Genesys Works Bay Area received notification from JPMorgan Chase Bank that the forgiveness application for the loan awarded under the Paycheck Protection Program of the CARES Act in the amount of \$381,079 had been reviewed and formally forgiven by the SBA, and that JPMorgan Chase Bank had received payment in full for such. This amount is included in contributions on the consolidated statement of activities.

On December 24, 2021, Genesys Works Twin Cities received notification from JPMorgan Chase Bank that the forgiveness application for the loan awarded under the Paycheck Protection Program of the CARES Act in the amount of \$1,299,593 had been reviewed and formally forgiven by the SBA, and that JPMorgan Chase Bank had received payment in full for such. This amount is included in contributions on the consolidated statement of activities.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 PAYCHECK PROTECTION PROGRAM NOTE PAYABLE (CONTINUED)

Due to bank errors after forgiveness was applied for, payments on the PPP loan totaling \$677,170 were made by Genesys Works Houston during the year ended December 31, 2021. This left an ending balance of the loan of \$241,915 at December 31, 2021. These payments by Genesys Works Houston were subsequently returned by the bank once the loan was formally forgiven. On February 10, 2022 Genesys Works Houston received notification from JPMorgan Chase Bank that the forgiveness application for the loan awarded under the Paycheck Protection Program of the CARES Act in the amount of \$919,085 had been reviewed and formally forgiven by the SBA, and that JPMorgan Chase Bank had received payment in full for such.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Act's financial position.

NOTE 11 CONTRACT REVENUE, ASSETS, AND LIABILITIES

	<u>2021</u>	<u>2020</u>	
Revenue Recognized Over Time			
Alumni Services	\$ 4,938,047	\$	3,295,567
Accounting Services	2,678,506		3,083,635
IT Services	8,708,216		8,407,457
Engineering Drafting Services	12,464		-
Net of Accounts Receivable Processing Fees	(51,030)		(37,036)
Total Revenue Recognized Over Time	<u>\$ 16,286,203</u>		<u>\$ 14,749,623</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Accounts Receivable			
Intern and Participant Services Provided	<u>\$ 2,719,910</u>	<u>\$ 1,925,315</u>	<u>\$ 2,569,254</u>
Total Accounts Receivable	<u>\$ 2,719,910</u>	<u>\$ 1,925,315</u>	<u>\$ 2,569,254</u>
Deferred Revenue			
Proceeds Received For Which Conditions Not Met	\$ 15,205	\$ 27,883	\$ 115,175
Prepayments in Advance of Earned Services Performed	26,426	46,615	31,987
Total Deferred Revenue	<u>\$ 41,631</u>	<u>\$ 74,498</u>	<u>\$ 147,162</u>

NOTE 12 RELATED PARTY TRANSACTIONS

Throughout the year, we will receive gifts from related parties, including employees, board members, and organizations related to these individuals. During the year ended December 31, 2021 and 2020, we received \$541,367 and \$717,740, respectively, in gifts from related individuals and related entities.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 12 RELATED PARTY TRANSACTIONS (CONTINUED)

As of December 31, 2021 and 2020, \$22,299 and \$61,700, respectively, in reimbursements were owed to employees.

As of December 31, 2021, Genesys Works National had the following net amounts due from its subsidiaries:

- Genesys Works Houston of \$12,269
- Genesys Works Twin Cities of \$110,078
- Genesys Works Bay Area of \$13,265

As of December 31, 2021, Genesys Works National had the following net amounts due to its subsidiaries:

- Genesys Works Chicago of \$19,232
- Genesys Works National Capital Region of \$29,624
- Genesys Works New York City of \$143,330

These intercompany amounts are eliminated upon consolidation.

NOTE 13 IN KIND REVENUE

We received donated goods and services as follows for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Rent and Occupancy Provided	\$ 21,000	\$ 41,334
Professional Services or Consulting	-	66,144
Software and Equipment	317,043	305,908
Events	228	1,982
Total In-Kind Revenue	<u>\$ 338,271</u>	<u>\$ 415,368</u>

NOTE 14 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

NOTE 15 SUBSEQUENT EVENTS

Genesys Works has evaluated subsequent events through July 26, 2022, which is the date that consolidated financial statements were available to be issued.

See discussion in Note 10 for subsequent forgiveness of the Genesys Works Houston PPP Loan.

**GENESYS WORKS
BAY AREA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 1,160,265	\$ 705,327
Accounts Receivable, Net	308,713	195,298
Contributions Receivable	3,860	5,500
Prepaid Expenses and Other Assets	27,062	37,195
Total Assets	\$ 1,499,900	\$ 943,320
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,269	\$ 4,269
Accrued Expenses and Other Payables	162,048	89,299
Paycheck Protection Program Note Payable - See Note 10	-	381,079
Line of Credit	200,500	201,064
Total Liabilities	363,817	675,711
NET ASSETS		
Without Donor Restrictions	1,121,083	244,609
With Donor Restrictions	15,000	23,000
Total Net Assets	1,136,083	267,609
Total Liabilities and Net Assets	\$ 1,499,900	\$ 943,320

**GENESYS WORKS
BAY AREA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 1,031,514	\$ 234,000	\$ 1,265,514
In-Kind Contributions	52,228	-	52,228
Net Assets Released from Restrictions	242,000	(242,000)	-
Total Public Support	1,325,742	(8,000)	1,317,742
Revenues - Program Service Fees	1,911,136	-	1,911,136
Other Income	5,858	-	5,858
Investment Income	18	-	18
Total Public Support, Revenues, and Other	3,242,754	(8,000)	3,234,754
EXPENSES			
Student Program	2,044,568	-	2,044,568
Management and General	180,589	-	180,589
Fundraising	141,123	-	141,123
Total Expenses	2,366,280	-	2,366,280
CHANGE IN NET ASSETS	876,474	(8,000)	868,474
Net Assets - Beginning of Year	244,609	23,000	267,609
NET ASSETS - END OF YEAR	<u>\$ 1,121,083</u>	<u>\$ 15,000</u>	<u>\$ 1,136,083</u>

**GENESYS WORKS
BAY AREA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 459,057	\$ 225,000	\$ 684,057
In-Kind Contributions	15,056	-	15,056
Net Assets Released from Restrictions	<u>202,000</u>	<u>(202,000)</u>	<u>-</u>
Total Public Support	676,113	23,000	699,113
Revenues - Program Service Fees	1,396,315	-	1,396,315
Other Income	10,653	-	10,653
Investment Income	118	-	118
Total Public Support, Revenues, and Other	<u>2,083,199</u>	<u>23,000</u>	<u>2,106,199</u>
EXPENSES			
Student Program	1,691,996	-	1,691,996
Management and General	139,926	-	139,926
Fundraising	32,628	-	32,628
Total Expenses	<u>1,864,550</u>	<u>-</u>	<u>1,864,550</u>
CHANGE IN NET ASSETS	218,649	23,000	241,649
Net Assets - Beginning of Year	<u>25,960</u>	<u>-</u>	<u>25,960</u>
NET ASSETS - END OF YEAR	<u>\$ 244,609</u>	<u>\$ 23,000</u>	<u>\$ 267,609</u>

**GENESYS WORKS
CHICAGO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 689,770	\$ 672,226
Accounts Receivable, Net	371,316	280,671
Contributions Receivable	25,000	-
Prepaid Expenses and Other Assets	103,142	56,150
Property and Equipment, Net	33,842	39,900
Total Assets	\$ 1,223,070	\$ 1,048,947
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 37,694	\$ 21,060
Accrued Expenses and Other Payables	205,577	169,137
Line of Credit	500	
Paycheck Protection Program Note Payable - See Note 10	-	581,704
Total Liabilities	243,771	771,901
NET ASSETS		
Without Donor Restrictions	954,300	231,759
With Donor Restrictions	24,999	45,287
Total Net Assets	979,299	277,046
Total Liabilities and Net Assets	\$ 1,223,070	\$ 1,048,947

**GENESYS WORKS
CHICAGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 1,274,909	\$ 150,000	\$ 1,424,909
In-Kind Contributions	52,228	-	52,228
Net Assets Released from Restrictions	170,288	(170,288)	-
Total Public Support	1,497,425	(20,288)	1,477,137
Revenues - Program Service Fees	2,540,314	-	2,540,314
Other Income	42,026	-	42,026
Investment Income	16	-	16
Total Public Support, Revenues, and Other	4,079,781	(20,288)	4,059,493
EXPENSES			
Student Program	2,802,457	-	2,802,457
Management and General	270,062	-	270,062
Fundraising	284,721	-	284,721
Total Expenses	3,357,240	-	3,357,240
CHANGE IN NET ASSETS	722,541	(20,288)	702,253
Net Assets - Beginning of Year	231,759	45,287	277,046
NET ASSETS - END OF YEAR	\$ 954,300	\$ 24,999	\$ 979,299

**GENESYS WORKS
CHICAGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 612,902	\$ 230,933	\$ 843,835
In-Kind Contributions	57,211	-	57,211
Net Assets Released from Restrictions	210,645	(210,645)	-
Total Public Support	880,758	20,288	901,046
Revenues - Program Service Fees	2,279,620	-	2,279,620
Other Income	17,081	-	17,081
Investment Income	468	-	468
Total Public Support, Revenues, and Other	3,177,927	20,288	3,198,215
EXPENSES			
Student Program	2,778,759	-	2,778,759
Management and General	225,747	-	225,747
Fundraising	292,063	-	292,063
Total Expenses	3,296,569	-	3,296,569
CHANGE IN NET ASSETS	(118,642)	20,288	(98,354)
Net Assets - Beginning of Year	350,401	24,999	375,400
NET ASSETS - END OF YEAR	<u>\$ 231,759</u>	<u>\$ 45,287</u>	<u>\$ 277,046</u>

**GENESYS WORKS
HOUSTON
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 2,680,506	\$ 3,011,479
Accounts Receivable, Net	448,447	323,109
Contributions Receivable	41,080	8,538
Prepaid Expenses and Other Assets	69,791	63,302
Property and Equipment, Net	280,223	386,127
Total Assets	\$ 3,520,047	\$ 3,792,555
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 23,638	\$ 17,906
Accrued Expenses and Other Payables	500,519	395,871
Deferred Revenue	8,120	18,573
Paycheck Protection Program Note Payable - See Note 10	241,915	919,085
Total Liabilities	774,192	1,351,435
NET ASSETS		
Without Donor Restrictions	2,426,850	2,174,463
With Donor Restrictions	319,005	266,657
Total Net Assets	2,745,855	2,441,120
Total Liabilities and Net Assets	\$ 3,520,047	\$ 3,792,555

**GENESYS WORKS
HOUSTON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 1,191,011	\$ 556,742	\$ 1,747,753
In-Kind Contributions	69,728	-	69,728
Net Assets Released from Restrictions	504,394	(504,394)	-
Total Public Support	1,765,133	52,348	1,817,481
Revenues - Program Service Fees	2,598,754	-	2,598,754
Other Income	22,883	-	22,883
Investment Income	72	-	72
Total Public Support, Revenues, and Other	4,386,842	52,348	4,439,190
EXPENSES			
Student Program	3,513,802	-	3,513,802
Management and General	303,116	-	303,116
Fundraising	317,537	-	317,537
Total Expenses	4,134,455	-	4,134,455
CHANGE IN NET ASSETS	252,387	52,348	304,735
Net Assets - Beginning of Year	2,174,463	266,657	2,441,120
NET ASSETS - END OF YEAR	\$ 2,426,850	\$ 319,005	\$ 2,745,855

**GENESYS WORKS
HOUSTON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 1,208,158	\$ 262,698	\$ 1,470,856
In-Kind Contributions	60,090	-	60,090
Net Assets Released from Restrictions	397,709	(397,709)	-
Total Public Support	1,665,957	(135,011)	1,530,946
Revenues - Program Service Fees	3,322,048	-	3,322,048
Other Income	11,348	-	11,348
Investment Income	3,726	-	3,726
Total Public Support, Revenues, and Other	5,003,079	(135,011)	4,868,068
EXPENSES			
Student Program	4,452,902	-	4,452,902
Management and General	326,114	-	326,114
Fundraising	376,148	-	376,148
Total Expenses	5,155,164	-	5,155,164
CHANGE IN NET ASSETS	(152,085)	(135,011)	(287,096)
Net Assets - Beginning of Year	2,326,548	401,668	2,728,216
NET ASSETS - END OF YEAR	\$ 2,174,463	\$ 266,657	\$ 2,441,120

**GENESYS WORKS
NATIONAL CAPITAL REGION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 685,776	\$ 725,614
Accounts Receivable, Net	109,685	80,633
Prepaid Expenses and Other Assets	59,619	70,695
Total Assets	\$ 855,080	\$ 876,942
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 8,979	\$ 4,069
Accrued Expenses and Other Payables	56,412	41,853
Paycheck Protection Program Note Payable - See Note 10	-	155,735
Total Liabilities	65,391	201,657
NET ASSETS		
Without Donor Restrictions	689,689	643,285
With Donor Restrictions	100,000	32,000
Total Net Assets	789,689	675,285
Total Liabilities and Net Assets	\$ 855,080	\$ 876,942

**GENESYS WORKS
NATIONAL CAPITAL REGION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 380,403	\$ 115,000	\$ 495,403
In-Kind Contributions	52,228	-	52,228
Net Assets Released from Restrictions	47,000	(47,000)	-
Total Public Support	479,631	68,000	547,631
Revenues - Program Service Fees	599,145	-	599,145
Other Income	29,703	-	29,703
Investment Income	-	-	-
Total Public Support, Revenues, and Other	1,108,479	68,000	1,176,479
EXPENSES			
Student Program	830,815	-	830,815
Management and General	78,520	-	78,520
Fundraising	152,740	-	152,740
Total Expenses	1,062,075	-	1,062,075
CHANGE IN NET ASSETS	46,404	68,000	114,404
Net Assets - Beginning of Year	643,285	32,000	675,285
NET ASSETS - END OF YEAR	<u>\$ 689,689</u>	<u>\$ 100,000</u>	<u>\$ 789,689</u>

**GENESYS WORKS
NATIONAL CAPITAL REGION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 528,926	\$ 45,000	\$ 573,926
In-Kind Contributions	140,350	-	140,350
Net Assets Released from Restrictions	28,000	(28,000)	-
Total Public Support	<u>697,276</u>	<u>17,000</u>	<u>714,276</u>
Revenues - Program Service Fees	624,275	-	624,275
Other Income	2,587	-	2,587
Investment Income	-	-	-
Total Public Support, Revenues, and Other	<u>1,324,138</u>	<u>17,000</u>	<u>1,341,138</u>
EXPENSES			
Student Program	991,410	-	991,410
Management and General	71,865	-	71,865
Fundraising	127,824	-	127,824
Total Expenses	<u>1,191,099</u>	<u>-</u>	<u>1,191,099</u>
CHANGE IN NET ASSETS	133,039	17,000	150,039
Net Assets - Beginning of Year	<u>510,246</u>	<u>15,000</u>	<u>525,246</u>
NET ASSETS - END OF YEAR	<u>\$ 643,285</u>	<u>\$ 32,000</u>	<u>\$ 675,285</u>

**GENESYS WORKS
NEW YORK CITY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 520,919	\$ 494,450
Accounts Receivable, Net	122,025	44,194
Contributions Receivable	109,000	-
Prepaid Expenses and Other Assets	169,983	2,913
Total Assets	\$ 921,927	\$ 541,557
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 26,652	\$ 3,066
Accrued Expenses and Other Payables	71,713	24,179
Paycheck Protection Program Note Payable - See Note 10	-	53,740
Total Liabilities	98,365	80,985
NET ASSETS		
Without Donor Restrictions	636,962	439,093
With Donor Restrictions	186,600	21,479
Total Net Assets	823,562	460,572
Total Liabilities and Net Assets	\$ 921,927	\$ 541,557

**GENESYS WORKS
NEW YORK CITY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 514,927	\$ 290,000	\$ 804,927
In-Kind Contributions	59,403	-	59,403
Net Assets Released from Restrictions	<u>124,879</u>	<u>(124,879)</u>	<u>-</u>
Total Public Support	699,209	165,121	864,330
Revenues - Program Service Fees	553,845	-	553,845
Other Income	46	-	46
Investment Income	-	-	-
Total Public Support, Revenues, and Other	<u>1,253,100</u>	<u>165,121</u>	<u>1,418,221</u>
EXPENSES			
Student Program	889,040	-	889,040
Management and General	70,111	-	70,111
Fundraising	<u>96,080</u>	<u>-</u>	<u>96,080</u>
Total Expenses	<u>1,055,231</u>	<u>-</u>	<u>1,055,231</u>
CHANGE IN NET ASSETS	197,869	165,121	362,990
Net Assets - Beginning of Year	<u>439,093</u>	<u>21,479</u>	<u>460,572</u>
NET ASSETS - END OF YEAR	<u>\$ 636,962</u>	<u>\$ 186,600</u>	<u>\$ 823,562</u>

**GENESYS WORKS
NEW YORK CITY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 339,674	\$ 127,500	\$ 467,174
In-Kind Contributions	81,550	-	81,550
Net Assets Released from Restrictions	376,021	(376,021)	-
Total Public Support	797,245	(248,521)	548,724
Revenues - Program Service Fees	318,418	-	318,418
Other Income	114	-	114
Investment Income	-	-	-
Total Public Support, Revenues, and Other	1,115,777	(248,521)	867,256
EXPENSES			
Student Program	660,356	-	660,356
Management and General	50,035	-	50,035
Fundraising	75,790	-	75,790
Total Expenses	786,181	-	786,181
CHANGE IN NET ASSETS	329,596	(248,521)	81,075
Net Assets - Beginning of Year	109,497	270,000	379,497
NET ASSETS - END OF YEAR	\$ 439,093	\$ 21,479	\$ 460,572

**GENESYS WORKS
TWIN CITIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 2,921,905	\$ 3,169,326
Accounts Receivable, Net	1,359,724	1,001,410
Contributions Receivable	143,030	118,669
Prepaid Expenses and Other Assets	28,504	216,355
Property and Equipment, Net	57,720	86,580
Total Assets	\$ 4,510,883	\$ 4,592,340
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 250,475	\$ 196,503
Accrued Expenses and Other Payables	397,344	399,956
Deferred Revenue	18,306	28,042
Paycheck Protection Program Note Payable - See Note 10	-	1,299,593
Total Liabilities	666,125	1,924,094
NET ASSETS		
Without Donor Restrictions	3,683,728	2,552,390
With Donor Restrictions	161,030	115,856
Total Net Assets	3,844,758	2,668,246
Total Liabilities and Net Assets	\$ 4,510,883	\$ 4,592,340

**GENESYS WORKS
TWIN CITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 2,460,788	\$ 376,160	\$ 2,836,948
In-Kind Contributions	52,456	-	52,456
Net Assets Released from Restrictions	330,986	(330,986)	-
Total Public Support	<u>2,844,230</u>	<u>45,174</u>	<u>2,889,404</u>
Revenues - Program Service Fees	8,083,009	-	8,083,009
Other Income	5,609	-	5,609
Investment Income	79	-	79
Total Public Support, Revenues, and Other	<u>10,932,927</u>	<u>45,174</u>	<u>10,978,101</u>
EXPENSES			
Student Program	8,809,987	-	8,809,987
Management and General	624,055	-	624,055
Fundraising	367,547	-	367,547
Total Expenses	<u>9,801,589</u>	<u>-</u>	<u>9,801,589</u>
CHANGE IN NET ASSETS	1,131,338	45,174	1,176,512
Net Assets - Beginning of Year	<u>2,552,390</u>	<u>115,856</u>	<u>2,668,246</u>
NET ASSETS - END OF YEAR	<u>\$ 3,683,728</u>	<u>\$ 161,030</u>	<u>\$ 3,844,758</u>

**GENESYS WORKS
TWIN CITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 1,107,824	\$ 749,513	\$ 1,857,337
In-Kind Contributions	61,111	-	61,111
Net Assets Released from Restrictions	749,007	(749,007)	-
Total Public Support	<u>1,917,942</u>	<u>506</u>	<u>1,918,448</u>
Revenues - Program Service Fees	6,808,947	-	6,808,947
Other Income	98,141	-	98,141
Investment Income	4,748	-	4,748
Total Public Support, Revenues, and Other	<u>8,829,778</u>	<u>506</u>	<u>8,830,284</u>
EXPENSES			
Student Program	8,334,052	-	8,334,052
Management and General	558,723	-	558,723
Fundraising	228,420	-	228,420
Total Expenses	<u>9,121,195</u>	<u>-</u>	<u>9,121,195</u>
CHANGE IN NET ASSETS	(291,417)	506	(290,911)
Net Assets - Beginning of Year	<u>2,843,807</u>	<u>115,350</u>	<u>2,959,157</u>
NET ASSETS - END OF YEAR	<u>\$ 2,552,390</u>	<u>\$ 115,856</u>	<u>\$ 2,668,246</u>

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, D.C. AND NEW YORK CITY)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 879,310	\$ 1,468,698
Investments	-	15,719
Contributions Receivable	441,250	900
Prepaid Expenses and Other Assets	517,278	460,270
Property and Equipment, Net	282,202	141,714
Total Assets	\$ 2,120,040	\$ 2,087,301
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 232,576	\$ 114,495
Accrued Expenses and Other Payables	421,486	528,287
Deferred Revenue	15,205	27,883
Line of Credit	500	-
Paycheck Protection Program Note Payable - See Note 10	-	556,926
Total Liabilities	669,767	1,227,591
NET ASSETS		
Without Donor Restrictions	1,264,272	744,709
With Donor Restrictions	186,001	115,001
Total Net Assets	1,450,273	859,710
Total Liabilities and Net Assets	\$ 2,120,040	\$ 2,087,301

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, D.C. AND NEW YORK CITY)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 3,230,645	\$ 186,000	\$ 3,416,645
Net Assets Released from Restrictions	115,000	(115,000)	-
Total Public Support	<u>3,345,645</u>	<u>71,000</u>	<u>3,416,645</u>
Revenues - Program Service Fees	2,046,483	-	2,046,483
Other Income	990	-	990
Investment Income	(3,933)	-	(3,933)
Total Public Support, Revenues, and Other	<u>5,389,185</u>	<u>71,000</u>	<u>5,460,185</u>
EXPENSES			
Student Program	1,929,587	-	1,929,587
Management and General	1,717,135	-	1,717,135
Fundraising	1,222,900	-	1,222,900
Total Expenses	<u>4,869,622</u>	<u>-</u>	<u>4,869,622</u>
CHANGE IN NET ASSETS	519,563	71,000	590,563
Net Assets - Beginning of Year	<u>744,709</u>	<u>115,001</u>	<u>859,710</u>
NET ASSETS - END OF YEAR	<u>\$ 1,264,272</u>	<u>\$ 186,001</u>	<u>\$ 1,450,273</u>

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, D.C. AND NEW YORK CITY)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 2,104,153	\$ 125,000	\$ 2,229,153
Net Assets Released from Restrictions	749,007	(749,007)	-
Total Public Support	<u>2,853,160</u>	<u>(624,007)</u>	<u>2,229,153</u>
Revenues - Program Service Fees	1,869,332	-	1,869,332
Other Income	17,785	-	17,785
Investment Income	2,621	-	2,621
Total Public Support, Revenues, and Other	<u>4,742,898</u>	<u>(624,007)</u>	<u>4,118,891</u>
EXPENSES			
Student Program	2,697,373	-	2,697,373
Management and General	1,962,387	-	1,962,387
Fundraising	1,093,998	-	1,093,998
Total Expenses	<u>5,753,758</u>	<u>-</u>	<u>5,753,758</u>
CHANGE IN NET ASSETS	(1,010,860)	(624,007)	(1,634,867)
Net Assets - Beginning of Year	<u>1,755,569</u>	<u>739,008</u>	<u>2,494,577</u>
NET ASSETS - END OF YEAR	<u>\$ 744,709</u>	<u>\$ 115,001</u>	<u>\$ 859,710</u>



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