

GENESYS WORKS
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2022 AND 2021



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Genesys Works
Houston, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Genesys Works, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated 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, 2022 and 2021, and the changes in net assets 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 Consolidated 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 Consolidated 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 Consolidated 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 consolidated financial statements as a whole. The site-specific statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated 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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 22, 2023

GENESYS WORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 10,738,328	\$ 9,538,451
Accounts Receivable, Net	3,275,856	2,719,910
Contributions Receivable	668,272	763,220
Prepaid Expenses and Other Assets	454,209	328,571
Total Current Assets	15,136,665	13,350,152
OTHER ASSETS		
Property and Equipment, Net	402,889	653,987
Right-of-Use Asset, Net	2,271,119	-
Total Other Assets	2,674,008	653,987
Total Assets	\$ 17,810,673	\$ 14,004,139
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 277,750	\$ 410,191
Accrued Expenses and Other Payables	1,197,487	1,339,383
Deferred Revenue	183,369	41,631
Paycheck Protection Program Notes Payable - See Note 8	-	241,915
Line of Credit	200,500	201,500
Lease Liabilities	2,552,684	-
Total Liabilities	4,411,790	2,234,620
NET ASSETS		
Without Donor Restrictions	10,877,899	10,776,884
With Donor Restrictions	2,520,984	992,635
Total Net Assets	13,398,883	11,769,519
Total Liabilities and Net Assets	\$ 17,810,673	\$ 14,004,139

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 7,758,857	\$ 3,488,796	\$ 11,247,653
In-Kind Contributions	520,378	-	520,378
Net Assets Released from Restrictions	1,960,447	(1,960,447)	-
Total Public Support	10,239,682	1,528,349	11,768,031
Revenues - Program Service Fees	19,692,660	-	19,692,660
Other Income	144,292	-	144,292
Total Public Support, Revenues, and Other	30,076,634	1,528,349	31,604,983
EXPENSES			
Student Program	23,862,304	-	23,862,304
Management and General	3,600,556	-	3,600,556
Fundraising	2,512,759	-	2,512,759
Total Expenses	29,975,619	-	29,975,619
CHANGE IN NET ASSETS	101,015	1,528,349	1,629,364
Net Assets - Beginning of Year	10,776,884	992,635	11,769,519
NET ASSETS - END OF YEAR	\$ 10,877,899	\$ 2,520,984	\$ 13,398,883

See accompanying Notes to Consolidated Financial Statements.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>1,524,547</u>	<u>(1,524,547)</u>	<u>-</u>
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	<u>(3,748)</u>	<u>-</u>	<u>(3,748)</u>
Total Public Support, Revenues, and Other	<u>28,333,907</u>	<u>373,355</u>	<u>28,707,262</u>
EXPENSES			
Student Program	19,784,258	-	19,784,258
Management and General	2,220,424	-	2,220,424
Fundraising	<u>2,582,648</u>	<u>-</u>	<u>2,582,648</u>
Total Expenses	<u>24,587,330</u>	<u>-</u>	<u>24,587,330</u>
CHANGE IN NET ASSETS	3,746,577	373,355	4,119,932
Net Assets - Beginning of Year	<u>7,030,307</u>	<u>619,280</u>	<u>7,649,587</u>
NET ASSETS - END OF YEAR	<u>\$ 10,776,884</u>	<u>\$ 992,635</u>	<u>\$ 11,769,519</u>

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Student Program	Management and General	Fundraising	Total
Salaries, Benefits, and Taxes - Students	\$ 12,157,142	\$ -	\$ -	\$ 12,157,142
Salaries, Benefits, and Taxes - Staff	8,650,601	1,788,339	1,730,626	12,169,566
Other Expenses:				
Facilities Rent and Expenses	393,615	53,737	115,875	563,227
Professional Services	277,937	647,304	111,938	1,037,179
Technology and Communications	983,169	712,261	190,504	1,885,934
Transportation	315,079	10,809	3,655	329,543
Fundraising Events	117,923	22,464	251,829	392,216
Other Miscellaneous Expenses	289,271	104,188	53,053	446,512
Professional Development	94,071	156,707	19,986	270,764
Marketing Expenses	227,601	783	10,363	238,747
Insurance	127,245	36,869	-	164,114
Supplies and Materials	53,486	10,820	5,270	69,576
Total Expenses by Function	<u>23,687,140</u>	<u>3,544,281</u>	<u>2,493,099</u>	<u>29,724,520</u>
Depreciation of Property and Equipment	<u>175,164</u>	<u>56,275</u>	<u>19,660</u>	<u>251,099</u>
Total Expenses Included in the Expense Section on the Statement of Activities	<u><u>\$ 23,862,304</u></u>	<u><u>\$ 3,600,556</u></u>	<u><u>\$ 2,512,759</u></u>	<u><u>\$ 29,975,619</u></u>

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 STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,629,364	\$ 4,119,932
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	251,099	200,854
Lease Liability Transition Adjustment	(192,243)	-
Cash Paid for Operating Lease Expense	473,808	-
Forgiveness of Paycheck Protection Program Note Payable	(241,915)	(3,028,777)
Bad Debt Expense	52,234	30,248
(Increase) Decrease in Assets:		
Accounts Receivable, Net	(608,181)	(824,843)
Contributions Receivable	94,948	(629,613)
Prepaid Expenses and Other Assets	(125,638)	139,487
Increase (Decrease) in Liabilities:		
Accounts Payable	(132,441)	135,405
Accrued Expenses and Other Payables	(141,896)	43,041
Deferred Revenue	141,738	(32,867)
Net Cash Provided by Operating Activities	1,200,877	152,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	-	15,719
Purchases of Property and Equipment	-	(200,521)
Net Cash Used by Investing Activities	-	(184,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Paycheck Protection Program Note Payable	-	(677,170)
Proceeds from Line of Credit	-	200,097
Payments on Line of Credit	(1,000)	(199,661)
Net Cash Used by Financing Activities	(1,000)	(676,734)
CHANGE IN CASH AND CASH EQUIVALENTS	1,199,877	(708,669)
Cash and Cash Equivalents - Beginning of Year	9,538,451	10,247,120
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 10,738,328	\$ 9,538,451

See accompanying Notes to Consolidated Financial Statements.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. Each of the subsidiaries have independent boards of directors and local leadership.

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, 2022 and 2021, 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.

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor or by law. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions and increases those net asset classes. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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. The organization keeps cash deposits at high-credit-quality institutes which, at, times, may exceed federally insured limits. 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, 2022 and 2021, the allowance was \$85,504 and \$39,970, respectively.

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

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.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021 contributions totaling \$401,240 and \$64,600, 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.

Leases

Genesys Works determines if an arrangement is a lease at inception. Leases are reported on the consolidated statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent Genesys Works' right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Genesys Works will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Genesys Works has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, Genesys Works has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

Genesys Works has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

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, 2022 and 2021, 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.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Genesys Works adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

Genesys Works has elected to adopt the package of practical expedients available in the year of adoption. Genesys Works has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of ROU assets.

FASB has issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. The consolidated financial statements reflect the application of ASU 2020-07 guidance retrospectively.

Subsequent Events

Genesys Works has evaluated subsequent events through June 22, 2023, which is the date that consolidated financial statements were available to be issued.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects financial assets at December 31, 2022 and 2021, 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.

	<u>2022</u>	<u>2021</u>
Financial Assets Available Within One Year:		
Cash and Cash Equivalents	\$ 10,738,328	\$ 9,538,451
Accounts Receivable	3,275,856	2,719,910
Contributions Receivable	<u>668,272</u>	<u>763,220</u>
Total With Donor Restrictions	14,682,456	13,021,581
Amounts Unavailable for General Expenditure Within One Year:		
Restricted by Donors	<u>(2,520,984)</u>	<u>(992,635)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 12,161,472</u>	<u>\$ 12,028,946</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 7, 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, 2022, these lines of credit had \$999,500 available to be drawn.

NOTE 3 CONTRIBUTIONS RECEIVABLE

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

	<u>2022</u>	<u>2021</u>
Contributions and Grants Receivable:		
Within One Year	\$ 668,272	\$ 763,220

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 300,308	\$ 300,308
Furniture and Fixtures	216,153	216,153
Vehicles	27,218	27,218
Software	277,784	277,784
Leasehold Improvements	1,128,242	1,128,242
Total	<u>1,949,705</u>	<u>1,949,705</u>
Less: Accumulated Depreciation and Amortization	<u>(1,546,816)</u>	<u>(1,295,718)</u>
Property and Equipment, Net	<u>\$ 402,889</u>	<u>\$ 653,987</u>

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was \$251,099 and \$200,854, respectively.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Internship Training Program	\$ 468,875	\$ 186,390
Site Growth	219,132	-
Computers and Training Materials	200,000	-
Enablement Hub	375,000	-
Technology Infrastructure, Partner Engagement, Data Reporting	950,000	-
Student Success Fund	99,977	101,660
Accelerator Program	-	91,097
Cybersecurity Training	-	20,000
Scholarship	-	5,000
Total	<u>2,312,984</u>	<u>404,147</u>
Time Restricted	<u>208,000</u>	<u>588,488</u>
Total Net Assets with Donor Restrictions	<u>\$ 2,520,984</u>	<u>\$ 992,635</u>

NOTE 6 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, 2022 and 2021, we matched employee voluntary contributions, resulting in contributions to the plan of \$92,810 and \$49,507, respectively.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 LINES OF CREDIT

Genesys Works has separate 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. 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, 2022 and 2021, the outstanding balance on the line of credit was \$200,500 and \$201,500, respectively.

NOTE 8 PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

On April 15, 2020, Genesys Works Houston was granted a loan from JPMorgan Chase Bank in the aggregate amount of \$1,342,500, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan was unsecured and guaranteed by U.S. Small Business Administration (SBA). Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

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. This amount is included in contributions on the consolidated statement of activities.

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 Genesys Works' financial position.

NOTE 9 RIGHT-OF-USE ASSET AND LIABILITY

Genesys Works leases office space under noncancelable lease agreements that expire through the year 2031. Under the terms of the agreement, Genesys Works is committed to annual rental adjusted for defined escalations.

Rental expense for the years ended December 31, 2022 and 2021 totaled \$598,412 and \$519,289, respectively.

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 RIGHT-OF-USE ASSET AND LIABILITY (CONTINUED)

The following table provides Genesys Works' right of use assets and lease liability for the year ended December 31 2022.

Right of Use Assets:	
Operating Leases	\$ 2,271,119
Total	<u>\$ 2,271,119</u>
Lease Liabilities:	
Current:	
Operating Leases	\$ 481,034
Noncurrent:	
Operating Leases	2,071,650
Total	<u>\$ 2,552,684</u>

The following tables provides quantitative information concerning Genesys Works' leases for the year ended December 31, 2022.

Operating Lease Costs	\$ 561,579
Other Information:	
Operating Cash Flows from Operating Leases	\$ 473,808
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability	\$ 2,817,810
Weighted-Average Remaining Lease Term	5.2 Years
Weighted-Average Discount Rate	0.5%

A maturity analysis of annual undiscounted cash flows for lease liability as of December 31, 2022, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2023	\$ 492,750
2024	526,140
2025	511,498
2026	234,230
2027	241,317
Thereafter	<u>588,237</u>
Total Lease Payments	2,594,172
Less: Interest	(41,488)
Present Value of Lease Liabilities	<u>\$ 2,552,684</u>

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10 CONTRACT REVENUE, ASSETS, AND LIABILITIES

	<u>2022</u>	<u>2021</u>
Revenue Recognized Over Time:		
Alumni Services	\$ 5,978,375	\$ 4,938,047
Accounting Services	-	2,678,506
IT Services	13,769,348	8,708,216
Engineering Drafting Services	-	12,464
Net of Accounts Receivable Processing Fees	(55,063)	(51,030)
Total Revenue Recognized Over Time	<u>\$ 19,692,660</u>	<u>\$ 16,286,203</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Accounts Receivable:			
Intern and Participant Services Provided	<u>\$ 3,275,856</u>	<u>\$ 2,719,910</u>	<u>\$ 1,925,315</u>
Total Accounts Receivable	<u>\$ 3,275,856</u>	<u>\$ 2,719,910</u>	<u>\$ 1,925,315</u>
Deferred Revenue:			
Proceeds Received for Which Conditions not Met	\$ -	\$ 15,205	\$ 27,883
Prepayments in Advance of Earned Services Performed	<u>183,369</u>	<u>26,426</u>	<u>46,615</u>
Total Deferred Revenue	<u>\$ 183,369</u>	<u>\$ 41,631</u>	<u>\$ 74,498</u>

NOTE 11 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 years ended December 31, 2022 and 2021, we received \$476,635 and \$541,367, respectively, in gifts from related individuals and related entities.

As of December 31, 2022 and 2021, \$15,730 and \$22,299, respectively, in reimbursements were owed to employees.

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

	<u>2022</u>	<u>2021</u>
Genesys Works Houston	\$ 37,012	\$ 12,269
Genesys Works Twin Cities	80,226	110,078
Genesys Works Bay Area	26,408	13,265
Genesys Works Chicago	20,558	-
Total Due from National	<u>\$ 164,204</u>	<u>\$ 135,612</u>

GENESYS WORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	<u>2022</u>	<u>2021</u>
Genesys Works National Capital Region	\$ 6,984	\$ 29,624
Genesys Works New York City	64,031	143,330
Genesys Works Chicago	-	19,232
Total Due to National	<u>\$ 71,015</u>	<u>\$ 192,186</u>

These intercompany amounts are eliminated upon consolidation.

NOTE 12 IN-KIND CONTRIBUTIONS

Genesys Works records in-kind contributions at fair market value at the date of donation. In-kind contributions consist of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Rent and Occupancy Provided	\$ 21,000	\$ 21,000
Legal Services	124,538	-
Software and Equipment	361,433	317,043
Events	13,407	228
Total In-Kind Revenue	<u>\$ 520,378</u>	<u>\$ 338,271</u>

All donated services and assets were utilized by Genesys Works' programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated software and equipment is valued at the estimated fair value to purchase similar items. Donated legal services are valued at the estimated fair value based on normal market hourly rates of attorneys providing similar services.

Genesys Works receives use of donated facilities for its program operations and supporting services. In-kind contribution revenue and a corresponding expense is recognized in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of similar rental listings. The contributed rent expense is allocated based on percentage of time and effort of staff members.

**GENESYS WORKS
BAY AREA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 1,686,503	\$ 1,160,265
Accounts Receivable, Net	213,359	308,713
Contributions Receivable	15,000	3,860
Prepaid Expenses and Other Assets	14,684	27,062
Total Assets	\$ 1,929,546	\$ 1,499,900
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 3,842	\$ 1,269
Accrued Expenses and Other Payables	142,513	162,048
Deferred Revenue	156,943	-
Line of Credit	200,500	200,500
Total Liabilities	503,798	363,817
NET ASSETS		
Without Donor Restrictions	1,425,748	1,121,083
With Donor Restrictions	-	15,000
Total Net Assets	1,425,748	1,136,083
Total Liabilities and Net Assets	\$ 1,929,546	\$ 1,499,900

**GENESYS WORKS
BAY AREA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 561,893	\$ 196,000	\$ 757,893
In-Kind Contributions	40,159	-	40,159
Net Assets Released from Restrictions	211,000	(211,000)	-
Total Public Support	813,052	(15,000)	798,052
Revenues - Program Service Fees	2,160,711	-	2,160,711
Other Income	13,956	-	13,956
Total Public Support, Revenues, and Other	2,987,719	(15,000)	2,972,719
EXPENSES			
Student Program	2,339,255	-	2,339,255
Management and General	280,666	-	280,666
Fundraising	63,133	-	63,133
Total Expenses	2,683,054	-	2,683,054
CHANGE IN NET ASSETS	304,665	(15,000)	289,665
Net Assets - Beginning of Year	1,121,083	15,000	1,136,083
NET ASSETS - END OF YEAR	\$ 1,425,748	\$ -	\$ 1,425,748

**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	\$ 1,121,083	\$ 15,000	\$ 1,136,083

**GENESYS WORKS
CHICAGO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 455,355	\$ 689,770
Accounts Receivable, Net	527,699	371,316
Contributions Receivable	5,500	25,000
Prepaid Expenses and Other Assets	98,130	103,142
Property and Equipment, Net	27,781	33,842
Right-of-Use Asset, Net	474,240	-
	<u>\$ 1,588,705</u>	<u>\$ 1,223,070</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 19,774	\$ 37,694
Accrued Expenses and Other Payables	281,232	205,577
Line of Credit	-	500
Lease Liability	464,350	-
Total Liabilities	<u>765,356</u>	<u>243,771</u>
NET ASSETS		
Without Donor Restrictions	803,349	954,300
With Donor Restrictions	20,000	24,999
Total Net Assets	<u>823,349</u>	<u>979,299</u>
Total Liabilities and Net Assets	<u>\$ 1,588,705</u>	<u>\$ 1,223,070</u>

**GENESYS WORKS
CHICAGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 826,152	\$ 70,000	\$ 896,152
In-Kind Contributions	40,159	-	40,159
Net Assets Released from Restrictions	74,999	(74,999)	-
Total Public Support	941,310	(4,999)	936,311
Revenues - Program Service Fees	3,181,226	-	3,181,226
Other Income	5,179	-	5,179
Total Public Support, Revenues, and Other	4,127,715	(4,999)	4,122,716
EXPENSES			
Student Program	3,541,658	-	3,541,658
Management and General	337,384	-	337,384
Fundraising	399,624	-	399,624
Total Expenses	4,278,666	-	4,278,666
CHANGE IN NET ASSETS	(150,951)	(4,999)	(155,950)
Net Assets - Beginning of Year	954,300	24,999	979,299
NET ASSETS - END OF YEAR	\$ 803,349	\$ 20,000	\$ 823,349

**GENESYS WORKS
CHICAGO
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	\$ 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	<u>1,497,425</u>	<u>(20,288)</u>	<u>1,477,137</u>
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	<u>4,079,781</u>	<u>(20,288)</u>	<u>4,059,493</u>
EXPENSES			
Student Program	2,802,457	-	2,802,457
Management and General	270,062	-	270,062
Fundraising	284,721	-	284,721
Total Expenses	<u>3,357,240</u>	<u>-</u>	<u>3,357,240</u>
CHANGE IN NET ASSETS	722,541	(20,288)	702,253
Net Assets - Beginning of Year	<u>231,759</u>	<u>45,287</u>	<u>277,046</u>
NET ASSETS - END OF YEAR	<u>\$ 954,300</u>	<u>\$ 24,999</u>	<u>\$ 979,299</u>

**GENESYS WORKS
HOUSTON
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 3,438,751	\$ 2,680,506
Accounts Receivable, Net	564,892	448,447
Contributions Receivable	2,772	41,080
Prepaid Expenses and Other Assets	81,894	69,791
Property and Equipment, Net	129,005	280,223
Right-of-Use Asset, Net	908,057	-
	\$ 5,125,371	\$ 3,520,047
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 30,962	\$ 23,638
Accrued Expenses and Other Payables	269,011	500,519
Deferred Revenue	8,120	8,120
Paycheck Protection Program Note Payable - See Note 10	-	241,915
Lease Liability	1,103,736	-
Total Liabilities	1,411,829	774,192
NET ASSETS		
Without Donor Restrictions	3,324,276	2,426,850
With Donor Restrictions	389,266	319,005
Total Net Assets	3,713,542	2,745,855
Total Liabilities and Net Assets	\$ 5,125,371	\$ 3,520,047

**GENESYS WORKS
HOUSTON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(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	\$ 2,305,737	\$ 498,443	\$ 2,804,180
In-Kind Contributions	200,796	-	200,796
Net Assets Released from Restrictions	428,182	(428,182)	-
Total Public Support	<u>2,934,715</u>	<u>70,261</u>	<u>3,004,976</u>
Revenues - Program Service Fees	3,309,453	-	3,309,453
Other Income	50,546	-	50,546
Total Public Support, Revenues, and Other	<u>6,294,714</u>	<u>70,261</u>	<u>6,364,975</u>
EXPENSES			
Student Program	4,561,482	-	4,561,482
Management and General	413,682	-	413,682
Fundraising	422,124	-	422,124
Total Expenses	<u>5,397,288</u>	<u>-</u>	<u>5,397,288</u>
CHANGE IN NET ASSETS	897,426	70,261	967,687
Net Assets - Beginning of Year	<u>2,426,850</u>	<u>319,005</u>	<u>2,745,855</u>
NET ASSETS - END OF YEAR	<u>\$ 3,324,276</u>	<u>\$ 389,266</u>	<u>\$ 3,713,542</u>

**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
NATIONAL CAPITAL REGION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 432,872	\$ 685,776
Accounts Receivable, Net	148,838	109,685
Contributions Receivable	7,500	-
Prepaid Expenses and Other Assets	46,941	59,619
Right-of-Use Asset, Net	521,940	-
Total Assets	\$ 1,158,091	\$ 855,080
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 17,620	\$ 8,979
Accrued Expenses and Other Payables	113,167	56,412
Lease Liability	531,104	-
Total Liabilities	661,891	65,391
NET ASSETS		
Without Donor Restrictions	460,762	689,689
With Donor Restrictions	35,438	100,000
Total Net Assets	496,200	789,689
Total Liabilities and Net Assets	\$ 1,158,091	\$ 855,080

**GENESYS WORKS
NATIONAL CAPITAL REGION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(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	\$ 336,908	\$ -	\$ 336,908
In-Kind Contributions	40,159	-	40,159
Net Assets Released from Restrictions	<u>64,562</u>	<u>(64,562)</u>	<u>-</u>
Total Public Support	441,629	(64,562)	377,067
Revenues - Program Service Fees	914,434	-	914,434
Other Income	<u>60,698</u>	<u>-</u>	<u>60,698</u>
Total Public Support, Revenues, and Other	1,416,761	(64,562)	1,352,199
EXPENSES			
Student Program	1,300,581	-	1,300,581
Management and General	144,889	-	144,889
Fundraising	<u>200,218</u>	<u>-</u>	<u>200,218</u>
Total Expenses	<u>1,645,688</u>	<u>-</u>	<u>1,645,688</u>
CHANGE IN NET ASSETS	(228,927)	(64,562)	(293,489)
Net Assets - Beginning of Year	<u>689,689</u>	<u>100,000</u>	<u>789,689</u>
NET ASSETS - END OF YEAR	<u>\$ 460,762</u>	<u>\$ 35,438</u>	<u>\$ 496,200</u>

**GENESYS WORKS
NATIONAL CAPITAL REGION
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	\$ 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	<u>479,631</u>	<u>68,000</u>	<u>547,631</u>
Revenues - Program Service Fees	599,145	-	599,145
Other Income	29,703	-	29,703
Total Public Support, Revenues, and Other	<u>1,108,479</u>	<u>68,000</u>	<u>1,176,479</u>
EXPENSES			
Student Program	830,815	-	830,815
Management and General	78,520	-	78,520
Fundraising	152,740	-	152,740
Total Expenses	<u>1,062,075</u>	<u>-</u>	<u>1,062,075</u>
CHANGE IN NET ASSETS	46,404	68,000	114,404
Net Assets - Beginning of Year	<u>643,285</u>	<u>32,000</u>	<u>675,285</u>
NET ASSETS - END OF YEAR	<u>\$ 689,689</u>	<u>\$ 100,000</u>	<u>\$ 789,689</u>

**GENESYS WORKS
NEW YORK CITY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 762,244	\$ 520,919
Accounts Receivable, Net	235,506	122,025
Contributions Receivable	120,000	109,000
Prepaid Expenses and Other Assets	137,696	169,983
Total Assets	\$ 1,255,446	\$ 921,927
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 12,115	\$ 26,652
Accrued Expenses and Other Payables	121,219	71,713
Total Liabilities	133,334	98,365
NET ASSETS		
Without Donor Restrictions	770,441	636,962
With Donor Restrictions	351,671	186,600
Total Net Assets	1,122,112	823,562
Total Liabilities and Net Assets	\$ 1,255,446	\$ 921,927

**GENESYS WORKS
NEW YORK CITY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND OTHER			
Public Support:			
General Public	\$ 569,707	\$ 388,000	\$ 957,707
In-Kind Contributions	74,566	-	74,566
Net Assets Released from Restrictions	222,929	(222,929)	-
Total Public Support	867,202	165,071	1,032,273
Revenues - Program Service Fees	973,324	-	973,324
Total Public Support, Revenues, and Other	1,840,526	165,071	2,005,597
EXPENSES			
Student Program	1,436,988	-	1,436,988
Management and General	158,245	-	158,245
Fundraising	111,814	-	111,814
Total Expenses	1,707,047	-	1,707,047
CHANGE IN NET ASSETS	133,479	165,071	298,550
Net Assets - Beginning of Year	636,962	186,600	823,562
NET ASSETS - END OF YEAR	\$ 770,441	\$ 351,671	\$ 1,122,112

**GENESYS WORKS
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	\$ 514,927	\$ 290,000	\$ 804,927
In-Kind Contributions	59,403	-	59,403
Net Assets Released from Restrictions	124,879	(124,879)	-
Total Public Support	699,209	165,121	864,330
Revenues - Program Service Fees	553,845	-	553,845
Other Income	46	-	46
Total Public Support, Revenues, and Other	1,253,100	165,121	1,418,221
EXPENSES			
Student Program	889,040	-	889,040
Management and General	70,111	-	70,111
Fundraising	96,080	-	96,080
Total Expenses	1,055,231	-	1,055,231
CHANGE IN NET ASSETS	197,869	165,121	362,990
Net Assets - Beginning of Year	439,093	21,479	460,572
NET ASSETS - END OF YEAR	\$ 636,962	\$ 186,600	\$ 823,562

**GENESYS WORKS
TWIN CITIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 2,343,275	\$ 2,921,905
Accounts Receivable, Net	1,585,562	1,359,724
Contributions Receivable	32,500	143,030
Prepaid Expenses and Other Assets	51,977	28,504
Property and Equipment, Net	28,860	57,720
Right-of-Use Asset, Net	35,244	-
	<u>\$ 4,077,418</u>	<u>\$ 4,510,883</u>
Total Assets	<u>\$ 4,077,418</u>	<u>\$ 4,510,883</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 49,289	\$ 250,475
Accrued Expenses and Other Payables	467,187	397,344
Deferred Revenue	18,306	18,306
Lease Liability	50,645	-
Total Liabilities	<u>585,427</u>	<u>666,125</u>
NET ASSETS		
Without Donor Restrictions	3,366,429	3,683,728
With Donor Restrictions	125,562	161,030
Total Net Assets	<u>3,491,991</u>	<u>3,844,758</u>
Total Liabilities and Net Assets	<u>\$ 4,077,418</u>	<u>\$ 4,510,883</u>

**GENESYS WORKS
TWIN CITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(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	\$ 1,366,788	\$ 221,353	\$ 1,588,141
Net Assets Released from Restrictions	<u>256,821</u>	<u>(256,821)</u>	<u>-</u>
Total Public Support	1,623,609	(35,468)	1,588,141
Revenues - Program Service Fees	9,153,513	-	9,153,513
Other Income	<u>21,585</u>	<u>-</u>	<u>21,585</u>
Total Public Support, Revenues, and Other	10,798,707	(35,468)	10,763,239
EXPENSES			
Student Program	10,011,460	-	10,011,460
Management and General	718,509	-	718,509
Fundraising	<u>386,037</u>	<u>-</u>	<u>386,037</u>
Total Expenses	<u>11,116,006</u>	<u>-</u>	<u>11,116,006</u>
CHANGE IN NET ASSETS	(317,299)	(35,468)	(352,767)
Net Assets - Beginning of Year	<u>3,683,728</u>	<u>161,030</u>	<u>3,844,758</u>
NET ASSETS - END OF YEAR	<u>\$ 3,366,429</u>	<u>\$ 125,562</u>	<u>\$ 3,491,991</u>

**GENESYS WORKS
TWIN CITIES
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	\$ 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><u>\$ 3,683,728</u></u>	<u><u>\$ 161,030</u></u>	<u><u>\$ 3,844,758</u></u>

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, DC AND NEW YORK CITY)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 1,619,328	\$ 879,310
Contributions Receivable	485,000	441,250
Prepaid Expenses and Other Assets	775,452	517,278
Property and Equipment, Net	217,243	282,202
Right-of-Use Asset, Net	331,638	-
	<u>\$ 3,428,661</u>	<u>\$ 2,120,040</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 144,148	\$ 232,576
Accrued Expenses and Other Payables	555,722	421,486
Deferred Revenue	-	15,205
Line of Credit	-	500
Lease Liability	402,849	-
Total Liabilities	<u>1,102,719</u>	<u>669,767</u>
NET ASSETS		
Without Donor Restrictions	726,895	1,264,272
With Donor Restrictions	1,599,047	186,001
Total Net Assets	<u>2,325,942</u>	<u>1,450,273</u>
Total Liabilities and Net Assets	<u>\$ 3,428,661</u>	<u>\$ 2,120,040</u>

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, DC AND NEW YORK CITY)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
(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	\$ 1,806,876	\$ 2,115,000	\$ 3,921,876
In-Kind Contributions	124,539	-	124,539
Net Assets Released from Restrictions	<u>701,954</u>	<u>(701,954)</u>	<u>-</u>
Total Public Support	2,633,369	1,413,046	4,046,415
Revenues - Program Service Fees	2,895,787	-	2,895,787
Other Loss	<u>(7,672)</u>	<u>-</u>	<u>(7,672)</u>
Total Public Support, Revenues, and Other	5,521,484	1,413,046	6,934,530
EXPENSES			
Student Program	2,074,691	-	2,074,691
Management and General	3,067,769	-	3,067,769
Fundraising	916,401	-	916,401
Total Expenses	<u>6,058,861</u>	<u>-</u>	<u>6,058,861</u>
CHANGE IN NET ASSETS	(537,377)	1,413,046	875,669
Net Assets - Beginning of Year	<u>1,264,272</u>	<u>186,001</u>	<u>1,450,273</u>
NET ASSETS - END OF YEAR	<u>\$ 726,895</u>	<u>\$ 1,599,047</u>	<u>\$ 2,325,942</u>

**GENESYS WORKS
NATIONAL**
(EXCLUDING WASHINGTON, DC 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	3,345,645	71,000	3,416,645
Revenues - Program Service Fees	2,046,483	-	2,046,483
Other Income	990	-	990
Investment Loss	(3,933)	-	(3,933)
Total Public Support, Revenues, and Other	5,389,185	71,000	5,460,185
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	4,869,622	-	4,869,622
CHANGE IN NET ASSETS	519,563	71,000	590,563
Net Assets - Beginning of Year	744,709	115,001	859,710
NET ASSETS - END OF YEAR	\$ 1,264,272	\$ 186,001	\$ 1,450,273



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