

GENESYS WORKS

CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2016 AND 2015
(With Independent Auditor's Report Thereon)

Insight. Oversight. Foresight.SM

 **DoerenMayhew**
CPAs AND ADVISORS

GENESYS WORKS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
of **Genesys Works**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Genesys Works and its subsidiaries (collectively, Genesys), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Genesys as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 13-25 is presented for purposes of additional analysis and is 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Houston, Texas
June 5, 2017

GENESYS WORKS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 6,574,987	\$ 4,662,141
Accounts receivable, net	1,849,753	1,692,432
Government grants receivable (note 2)	104,165	29,165
Pledges receivable, net (note 2)	1,335,262	2,094,266
Prepaid expenses and other assets	334,204	308,807
Property and equipment, net (note 3)	393,672	523,444
 Total assets	 <u>\$ 10,592,043</u>	 <u>\$ 9,310,255</u>
 <u>Liabilities and Net Assets</u>		
Accounts payable	\$ 56,164	\$ 80,097
Accrued expenses and other liabilities	657,321	698,044
 Total liabilities	 <u>713,485</u>	 <u>778,141</u>
Net assets:		
Unrestricted	8,159,799	7,045,243
Temporarily restricted (note 4)	1,718,759	1,486,871
 Total net assets	 <u>9,878,558</u>	 <u>8,532,114</u>
 Total liabilities and net assets	 <u>\$ 10,592,043</u>	 <u>\$ 9,310,255</u>

See accompanying notes to consolidated financial statements.

GENESYS WORKS

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 6,810,304	\$ 1,607,936	\$ 8,418,240	\$ 4,872,078	\$ 863,433	\$ 5,735,511
Government awards	132,810	100,000	232,810	146,615	-	146,615
In-kind contributions	205,020	-	205,020	79,148	-	79,148
Net assets released from restrictions (note 5)	1,476,048	(1,476,048)	-	2,978,098	(2,978,098)	-
Total public support	8,624,182	231,888	8,856,070	8,075,939	(2,114,665)	5,961,274
Revenues - program service fees	12,794,564	-	12,794,564	11,824,235	-	11,824,235
Total public support, revenues, and other	21,418,746	231,888	21,650,634	19,900,174	(2,114,665)	17,785,509
Expenses:						
Student program	15,871,061	-	15,871,061	13,733,203	-	13,733,203
Management and general	2,741,249	-	2,741,249	2,540,952	-	2,540,952
Fundraising	1,691,880	-	1,691,880	1,436,899	-	1,436,899
Total expenses	20,304,190	-	20,304,190	17,711,054	-	17,711,054
Changes in net assets	1,114,556	231,888	1,346,444	2,189,120	(2,114,665)	74,455
Net assets, beginning of year	7,045,243	1,486,871	8,532,114	4,856,123	3,601,536	8,457,659
Net assets, end of year	<u>\$ 8,159,799</u>	<u>\$ 1,718,759</u>	<u>\$ 9,878,558</u>	<u>\$ 7,045,243</u>	<u>\$ 1,486,871</u>	<u>\$ 8,532,114</u>

See accompanying notes to consolidated financial statements.

GENESYS WORKS

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Changes in net assets	\$ 1,346,444	\$ 74,455
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	139,530	112,012
Loss on disposal of assets	-	(6,623)
Discount on pledges receivable	(1,122)	1,563
Changes in operating assets and liabilities:		
Accounts receivable	(157,321)	30,474
Government grants receivable	(75,000)	(29,165)
Pledges receivable	760,126	1,769,633
Prepaid expenses and other assets	(25,397)	(102,320)
Accounts payable	(23,933)	(26,299)
Accrued expenses and other liabilities	(40,723)	53,395
Net cash provided by operating activities	1,922,604	1,877,125
 Cash flows used in investing activities -		
Purchases of property and equipment	(9,758)	(314,874)
Net increase in cash and cash equivalents	1,912,846	1,562,251
Cash and cash equivalents, beginning of year	4,662,141	3,099,890
Cash and cash equivalents, end of year	\$ 6,574,987	\$ 4,662,141

See accompanying notes to consolidated financial statements.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Genesys Works (Genesys) is a Texas nonprofit corporation incorporated April 7, 2002 as Genesys ITS, which changed its name on August 18, 2006 to Genesys Works. In 2009, Genesys restructured the organization creating three consolidating entities (subsidiaries) in which Genesys is a sole member. Genesys Works Houston was formed as a Texas nonprofit corporation on December 21, 2009. Genesys Works Twin Cities was formed as a Minnesota nonprofit corporation on April 7, 2009. Genesys Works Chicago was formed as a Texas nonprofit corporation on December 21, 2009. For IRS group return reporting purposes, Genesys Works created the Genesys Works Group Return Federal identification number on September 12, 2011. On December 14, 2012, an additional subsidiary, Genesys Works Bay Area, was formed as a Texas nonprofit corporation. On February 1, 2016, an additional subsidiary, Genesys Works National Capital Region, was formed as a Texas nonprofit corporation.

Genesys enables inner-city underprivileged high school students to work as professionals in large corporations during their senior year in high school in order to discover that they can succeed as professionals in the corporate world.

Basis of Financial Statement Presentation and Principles of Consolidation

Genesys' 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. Genesys' consolidated financial statements include Genesys Works Houston, Genesys Works Twin Cities, Genesys Works Chicago, Genesys Works Bay Area and Genesys Works National Capital Region which are subsidiaries. All material intercompany balances and transactions have been eliminated upon consolidation.

Genesys' resources are reported for accounting purposes in separate classes of net assets based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of Genesys and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purpose by action of the Board of Directors.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Genesys and/or the passage of time. This classification includes contributions and unconditional promises to give for which the ultimate purposes of the proceeds are not permanently restricted.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Genesys. No permanently restricted assets were noted as of December 31, 2016 and 2015.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Basis of Financial Statement Presentation and Principles of Consolidation (Continued)

Revenues are reported as increases in unrestricted net assets less direct expenses unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

Genesys considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents and available for current use. At December 31, 2016 and 2015, Genesys had no cash equivalents.

Accounts Receivable, Net and Allowance for Doubtful Accounts

Accounts receivable consists of amounts owed to Genesys by the private and public sector for accounting, engineering and IT services. An allowance for doubtful accounts is recorded when it is believed that any amounts receivable may not be collected in full. The amount of bad debt expense recorded each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and customer-by-customer analysis of accounts receivable balances each period. At December 31, 2016 and 2015, Genesys had an allowance of \$10,000 for potentially uncollectible receivables.

Property and Equipment

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

Equipment	5-7 years
Furniture and fixtures	5-7 years
Vehicles	5 years
Software	5 years
Leasehold improvements	3-5 years

Donated Equipment and Services

A number of professionals have donated equipment and services in connection with the program and administration of Genesys, with the amounts appropriately reflected in the consolidated financial statements. When outside equipment and services are donated to Genesys and an objective means of measuring the value is available, an in-kind contribution and an asset or expense is recorded.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases temporarily restricted net assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, Genesys reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows beyond one year. The discounts on these amounts 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 pledge was originally reported.

Program Service Fees

Program service fees represent amounts charged to customers based on established hourly billing rates for services provided by the students.

Income Taxes

Genesys is a not-for-profit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Genesys' subsidiaries are recognized as tax exempt under the Company's group exemption (number 5640).

Accounting principles generally accepted in the United States of America require that management evaluate tax positions taken by Genesys and recognize a tax liability (or asset) if Genesys has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

Management has analyzed the tax positions taken by Genesys and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. Genesys is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examination for years prior to 2013.

Functional Allocation of Expenses

The expenses of providing the program and activities have been summarized on a functional basis according to the purpose for which the expenses were paid. Certain expenses, which pertain to more than one purpose, were allocated among the various functions based upon their estimated use.

Fair Value of Financial Instruments

Genesys' financial instruments consist of accounts receivable, pledges receivable, and other liabilities. Management believes the carrying amount of these financial instruments approximates their fair values.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those assumptions.

Note 2 - Pledges and Grants Receivable

Pledges receivable at December 31 are due as follows:

	<u>2016</u>	<u>2015</u>
Receivables to be collected in less than one year	\$ 1,290,549	\$ 2,123,431
Receivables to be collected in one to five years	<u>150,000</u>	<u>-</u>
Pledges and grants receivable, gross	1,440,549	2,123,431
Discount for present value at .25%	<u>(1,122)</u>	<u>-</u>
Total pledges and grants receivable	<u>\$ 1,439,427</u>	<u>\$ 2,123,431</u>

Uncollectible pledges receivable for 2016 and 2015 were expected to be minimal and therefore, no allowance was made for potentially uncollectible amounts at December 31, 2016 and 2015.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 2 - Pledges and Grants Receivable (Continued)

Government Grants

Amounts received or receivable from government agencies relating to grants are subject to audit and adjustment by the government agencies. The amount of expenditures which may be potentially disallowed cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

Note 3 - Property and Equipment

Property and equipment at December 31 consists of the following:

	<u>2016</u>	<u>2015</u>
Equipment	\$ 386,877	\$ 386,877
Furniture and fixtures	156,342	156,342
Vehicles	15,395	15,395
Software	94,706	94,706
Leasehold improvements	<u>490,217</u>	<u>480,459</u>
Total property and equipment	1,143,537	1,133,779
Accumulated depreciation and amortization	<u>(749,865)</u>	<u>(610,335)</u>
Property and equipment, net	<u>\$ 393,672</u>	<u>\$ 523,444</u>

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was \$139,530 and \$112,012, respectively.

Note 4 - Temporarily Restricted Net Assets

At December 31, 2016 and 2015, temporarily restricted net assets of \$1,718,759 and \$1,486,871, respectively, are available for the Internship Training Program.

Note 5 - Net Assets Released From Restrictions

During the years ended December 31, 2016 and 2015, net assets of \$1,476,048 and \$2,978,098, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purpose and timing restrictions ended.

Note 6 - Employee Benefit Plan

Genesys has a contributory profit sharing 403(b) plan that covers substantially all employees. Employees' contributions are voluntary. Contributions by employees may not exceed the limit under Federal regulations. Genesys matches 50% of the amount contributed by the employee up to 6% of the employee's base salary. The contributions made by Genesys for the years ended December 31, 2016 and 2015 totaled \$78,012 and \$38,453, respectively.

GENESYS WORKS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

Note 7 - Concentrations of Credit Risk

Genesys maintains cash in financial institution accounts which, at times, can exceed federally insured limits. Genesys has not experienced any losses related to such accounts. Cash and cash equivalents are placed with highly-accredited, quality financial institutions and management believes it is not exposed to any significant credit risk.

Note 8 - Commitments and Contingencies

Lease Commitments

Genesys leases equipment and office space under various operating lease agreements. Future minimum annual lease payments under these leases and commitments at December 31, 2016 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2017	\$ 724,212
2018	680,292
2019	608,460
2020	518,651
2021	<u>335,139</u>
Total minimum future payments	<u>\$ 2,866,754</u>

Rental expense for the years ended December 31, 2016 and 2015 totaled \$912,925 and \$797,599, respectively. One of the leases noted above is with a related party. Related party lease expenditures were approximately \$150,956 and \$184,874 for the years ended December 31, 2016 and 2015, respectively.

Note 9 - Subsequent Events

Management has evaluated subsequent events through June 5, 2017, the date which the consolidated financial statements were available to be issued. Management has determined that no other subsequent events require disclosure in these consolidated financial statements.

***** End of Notes *****

SUPPLEMENTAL SCHEDULES

GENESYS WORKS

CONSOLIDATED SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016				2015			
	Student Program	Management and General	Fundraising	Total	Student Program	Management and General	Fundraising	Total
Insurance	\$ 116,880	\$ 7,439	\$ 6,896	\$ 131,215	\$ 83,463	\$ 16,672	\$ -	\$ 100,135
Office expenses	250,149	142,553	13,526	406,228	267,523	141,834	17,132	426,489
Payroll expenses	12,365,743	1,579,281	1,182,747	15,127,771	10,726,553	1,566,852	1,063,172	13,356,577
Student events	316,122	-	-	316,122	322,029	-	-	322,029
Professional services	802,350	449,178	65,405	1,316,933	669,667	317,574	107,467	1,094,708
In-kind professional services	98,513	3,000	16,000	117,513	-	-	7,289	7,289
Promotion and marketing	54,489	104,151	250,808	409,448	24,323	110,309	151,964	286,596
Telephone and communications	114,387	44,799	6,404	165,590	98,703	49,508	1,786	149,997
Occupancy	847,115	98,121	57,741	1,002,977	674,126	117,221	52,639	843,986
Travel	49,312	76,157	33,291	158,760	30,239	85,514	16,386	132,139
Transportation	546,784	14,677	5,015	566,476	463,308	8,134	1,868	473,310
Other expenses	208,037	183,542	54,048	445,627	285,538	103,053	17,196	405,787
Depreciation and amortization	101,178	38,352	-	139,530	87,731	24,281	-	112,012
Total expenses	<u>\$ 15,871,059</u>	<u>\$ 2,741,250</u>	<u>\$ 1,691,881</u>	<u>\$ 20,304,190</u>	<u>\$ 13,733,203</u>	<u>\$ 2,540,952</u>	<u>\$ 1,436,899</u>	<u>\$ 17,711,054</u>

GENESYS WORKS HOUSTON

**SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 1,698,840	\$ 1,330,421
Accounts receivable, net	571,209	682,267
Pledges receivable, net	3,000	125,000
Prepaid expenses and other assets	157,057	180,073
Property and equipment, net	<u>171,159</u>	<u>208,209</u>
Total assets	<u>\$ 2,601,265</u>	<u>\$ 2,525,970</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 3,998	\$ 76,027
Accrued expenses and other liabilities	<u>162,125</u>	<u>246,901</u>
Total liabilities	<u>166,123</u>	<u>322,928</u>
Net assets:		
Unrestricted	2,435,142	2,068,041
Temporarily restricted	<u>-</u>	<u>135,001</u>
Total net assets	<u>2,435,142</u>	<u>2,203,042</u>
Total liabilities and net assets	<u>\$ 2,601,265</u>	<u>\$ 2,525,970</u>

GENESYS WORKS HOUSTON

SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 1,084,095	\$ -	\$ 1,084,095	\$ 982,762	\$ 10,313	\$ 993,075
In-kind contributions	177,131	-	177,131	59,520	-	59,520
Net assets released from restrictions	135,001	(135,001)	-	225,000	(225,000)	-
Total public support	1,396,227	(135,001)	1,261,226	1,267,282	(214,687)	1,052,595
Revenues -						
Program service fees	4,612,223	-	4,612,223	5,051,328	-	5,051,328
Total public support, revenues, and other	6,008,450	(135,001)	5,873,449	6,318,610	(214,687)	6,103,923
Expenses:						
Student program	4,798,079	-	4,798,079	4,834,268	-	4,834,268
Management and general	501,697	-	501,697	582,459	-	582,459
Fundraising	341,573	-	341,573	304,926	-	304,926
Total expenses	5,641,349	-	5,641,349	5,721,653	-	5,721,653
Changes in net assets	367,101	(135,001)	232,100	596,957	(214,687)	382,270
Net assets, beginning of year	2,068,041	135,001	2,203,042	1,471,084	349,688	1,820,772
Net assets, end of year	\$ 2,435,142	\$ -	\$ 2,435,142	\$ 2,068,041	\$ 135,001	\$ 2,203,042

GENESYS WORKS TWIN CITIES

**SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 1,256,446	\$ 1,114,951
Accounts receivable, net	663,987	589,849
Government grants receivable	104,165	29,165
Prepaid expenses and other assets	75,964	102,806
Property and equipment, net	119,199	169,279
 Total assets	 <u>\$ 2,219,761</u>	 <u>\$ 2,006,050</u>
 <u>Liabilities and Net Assets</u>		
Accounts payable	\$ 45,932	\$ 390
Accrued expenses and other liabilities	240,089	257,834
 Total liabilities	 <u>286,021</u>	 <u>258,224</u>
Net assets:		
Unrestricted	1,754,417	1,646,002
Temporarily restricted	179,323	101,824
 Total net assets	 <u>1,933,740</u>	 <u>1,747,826</u>
 Total liabilities and net assets	 <u>\$ 2,219,761</u>	 <u>\$ 2,006,050</u>

GENESYS WORKS TWIN CITIES

**SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 813,964	\$ 68,500	\$ 882,464	\$ 1,053,005	\$ 101,824	\$ 1,154,829
Government Awards	-	100,000	100,000	-	-	-
In-kind contributions	3,445	-	3,445	1,000	-	1,000
Net assets released from restrictions	91,001	(91,001)	-	53,098	(53,098)	-
Total public support	908,410	77,499	985,909	1,107,103	48,726	1,155,829
Revenues -						
Program service fees	4,649,065	-	4,649,065	4,063,514	-	4,063,514
Total public support, revenues, and other	5,557,475	77,499	5,634,974	5,170,617	48,726	5,219,343
Expenses:						
Student program	4,571,960	-	4,571,960	4,082,294	-	4,082,294
Management and general	638,433	-	638,433	636,922	-	636,922
Fundraising	238,667	-	238,667	241,661	-	241,661
Total expenses	5,449,060	-	5,449,060	4,960,877	-	4,960,877
Changes in net assets	108,415	77,499	185,914	209,740	48,726	258,466
Net assets, beginning of year	1,646,002	101,824	1,747,826	1,436,262	53,098	1,489,360
Net assets, end of year	<u>\$ 1,754,417</u>	<u>\$ 179,323</u>	<u>\$ 1,933,740</u>	<u>\$ 1,646,002</u>	<u>\$ 101,824</u>	<u>\$ 1,747,826</u>

GENESYS WORKS CHICAGO

SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 389,184	\$ 421,080
Accounts receivable, net	322,257	245,429
Pledges receivable, net	226,036	-
Prepaid expenses and other assets	64,580	67,448
Property and equipment, net	8,927	13,217
Total assets	<u>\$ 1,010,984</u>	<u>\$ 747,174</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 15	\$ 87
Accrued expenses and other liabilities	131,386	168,795
Total liabilities	<u>131,401</u>	<u>168,882</u>
Net assets:		
Unrestricted	653,547	561,791
Temporarily restricted	226,036	16,501
Total net assets	<u>879,583</u>	<u>578,292</u>
Total liabilities and net assets	<u>\$ 1,010,984</u>	<u>\$ 747,174</u>

GENESYS WORKS CHICAGO

**SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 750,891	\$ 226,036	\$ 976,927	\$ 730,080	\$ 16,501	\$ 746,581
In-kind contributions	10,488	-	10,488	-	-	-
Net assets released from restrictions	16,501	(16,501)	-	-	-	-
Total public support	777,880	209,535	987,415	730,080	16,501	746,581
Revenues -						
Program service fees	2,243,539	-	2,243,539	1,823,125	-	1,823,125
Total public support, revenues, and other	3,021,419	209,535	3,230,954	2,553,205	16,501	2,569,706
Expenses:						
Student program	2,433,443	-	2,433,443	2,173,850	-	2,173,850
Management and general	334,185	-	334,185	277,099	-	277,099
Fundraising	162,035	-	162,035	82,004	-	82,004
Total expenses	2,929,663	-	2,929,663	2,532,953	-	2,532,953
Changes in net assets	91,756	209,535	301,291	20,252	16,501	36,753
Net assets, beginning of year	561,791	16,501	578,292	541,539	-	541,539
Net assets, end of year	<u>\$ 653,547</u>	<u>\$ 226,036</u>	<u>\$ 879,583</u>	<u>\$ 561,791</u>	<u>\$ 16,501</u>	<u>\$ 578,292</u>

SUPPLEMENTAL SCHEDULE VIII

GENESYS WORKS BAY AREA

**SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 397,897	\$ 356,666
Accounts receivable, net	252,502	174,887
Pledges receivable, net	306,226	469,266
Prepaid expenses and other assets	58,377	43,437
Total assets	\$ 1,015,002	\$ 1,044,256
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 25	\$ 234
Accrued expenses and other liabilities	81,230	66,788
Total liabilities	81,255	67,022
Net assets -		
Unrestricted	903,747	626,984
Temporarily restricted	30,000	350,250
Total net assets	933,747	977,234
Total liabilities and net assets	\$ 1,015,002	\$ 1,044,256

GENESYS WORKS BAY AREA

**SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 1,260,594	\$ 30,000	\$ 1,290,594	\$ 1,240,404	\$ 350,250	\$ 1,590,654
Federal Awards	132,810	-	132,810	146,615	-	146,615
In-kind contributions	-	-	-	9,700	-	9,700
Net assets released from restrictions	350,250	(350,250)	-	-	-	-
Total public support	1,743,654	(320,250)	1,423,404	1,396,719	350,250	1,746,969
Revenues -						
Program service fees	1,318,891	-	1,318,891	885,661	-	885,661
Total public support, revenues, and other	3,062,545	(320,250)	2,742,295	2,282,380	350,250	2,632,630
Expenses:						
Student program	2,241,613	-	2,241,613	1,676,818	-	1,676,818
Management and general	293,085	-	293,085	194,476	-	194,476
Fundraising	251,084	-	251,084	145,481	-	145,481
Total expenses	2,785,782	-	2,785,782	2,016,775	-	2,016,775
Changes in net assets	276,763	(320,250)	(43,487)	265,605	350,250	615,855
Net assets, beginning of year	626,984	350,250	977,234	361,379	-	361,379
Net assets, end of year	<u>\$ 903,747</u>	<u>\$ 30,000</u>	<u>\$ 933,747</u>	<u>\$ 626,984</u>	<u>\$ 350,250</u>	<u>\$ 977,234</u>

GENESYS WORKS CORPORATE

SCHEDULES OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 2,713,346	\$ 1,439,023
Pledges receivable, net	800,000	1,500,000
Prepaid expenses and other assets	162,638	212,452
Property and equipment, net	94,387	132,739
 Total assets	 <u>\$ 3,770,371</u>	 <u>\$ 3,284,214</u>
 <u>Liabilities and Net Assets</u>		
Accounts payable	\$ 6,194	\$ 3,359
Accrued expenses and other liabilities	236,374	255,159
 Total liabilities	 <u>242,568</u>	 <u>258,518</u>
Net assets:		
Unrestricted	2,244,403	2,142,401
Temporarily restricted	1,283,400	883,295
 Total net assets	 <u>3,527,803</u>	 <u>3,025,696</u>
 Total liabilities and net assets	 <u>\$ 3,770,371</u>	 <u>\$ 3,284,214</u>

GENESYS WORKS CORPORATE

**SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support:						
General public	\$ 2,650,004	\$ 1,283,400	\$ 3,933,404	\$ 1,430,963	\$ 384,545	\$ 1,815,508
In-kind contributions	13,956	-	13,956	8,928	-	8,928
Net assets released from restrictions	883,295	(883,295)	-	2,700,000	(2,700,000)	-
Total public support	3,547,255	400,105	3,947,360	4,139,891	(2,315,455)	1,824,436
Revenues -						
Program service fees	1,030,909	-	1,030,909	950,061	-	950,061
Total public support, revenues, and other	4,578,164	400,105	4,978,269	5,089,952	(2,315,455)	2,774,497
Expenses:						
Student program	1,677,692	-	1,677,692	1,531,109	-	1,531,109
Management and general	2,145,382	-	2,145,382	1,799,450	-	1,799,450
Fundraising	653,088	-	653,088	662,827	-	662,827
Total expenses	4,476,162	-	4,476,162	3,993,386	-	3,993,386
Changes in net assets	102,002	400,105	502,107	1,096,566	(2,315,455)	(1,218,889)
Net assets, beginning of year	2,142,401	883,295	3,025,696	1,045,835	3,198,750	4,244,585
Net assets, end of year	\$ 2,244,403	\$ 1,283,400	\$ 3,527,803	\$ 2,142,401	\$ 883,295	\$ 3,025,696

GENESYS WORKS NATIONAL CAPITAL

SCHEDULES OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 119,274	\$ -
Accounts receivable, net	39,798	-
Prepaid expenses and other assets	19,291	-
Property and equipment, net	-	-
Total assets	<u>\$ 178,363</u>	<u>\$ -</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ -	-
Accrued expenses and other liabilities	9,844	-
Total liabilities	<u>9,844</u>	<u>-</u>
Net assets:		
Unrestricted	168,519	-
Temporarily restricted	-	-
Total net assets	<u>168,519</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 178,363</u>	<u>\$ -</u>

GENESYS WORKS NATIONAL CAPITAL

**SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support, revenues, and other:						
Public support -						
General public	\$ 250,756	\$ -	\$ 250,756	\$ -	\$ -	\$ -
Revenues -						
Program service fees	364,632	-	364,632	-	-	-
Total public support, revenues, and other	615,388	-	615,388	-	-	-
Expenses:						
Student program	322,691	-	322,691	-	-	-
Management and general	78,745	-	78,745	-	-	-
Fundraising	45,433	-	45,433	-	-	-
Total expenses	446,869	-	446,869	-	-	-
Changes in net assets	168,519	-	168,519	-	-	-
Net assets, beginning of year	-	-	-	-	-	-
Net assets, end of year	\$ 168,519	\$ -	\$ 168,519	\$ -	\$ -	\$ -