

LEAP, Inc.
d/b/a Brooklyn Workforce
Innovations

Financial Statements

June 30, 2019

Independent Auditors' Report

Board of Directors LEAP, Inc. d/b/a Brooklyn Workforce Innovations

We have audited the accompanying financial statements of LEAP, Inc. d/b/a Brooklyn Workforce Innovations ("LEAP"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LEAP as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in note 2 to the financial statements, during the year ended June 30, 2019, LEAP adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited LEAP's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

December 9, 2019

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Statement of Financial Position
June 30, 2019
(with comparative amounts at June 30, 2018)

	2019	2018
ASSETS		
Current Assets		
Cash	\$ 1,316,121	\$ 1,130,071
Accounts receivable	140,439	164,027
Grants receivable	1,702,880	1,746,985
Grants receivable, related parties	-	26,200
Prepaid insurance	57,786	10,816
Total Current Assets	3,217,226	3,078,099
Leasehold improvements, equipment and fixtures, net	276,450	45,124
Security deposits and other	57,996	45,603
	\$ 3,551,672	\$ 3,168,826
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 353,254	\$ 212,833
Accrued expenses	159,085	154,998
Total Current Liabilities	512,339	367,831
Net Assets		
Without donor restriction	2,918,424	2,721,488
With donor restriction	120,909	79,507
Total Net Assets	3,039,333	2,800,995
	\$ 3,551,672	\$ 3,168,826

See notes to financial statements

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Statement of Activities
Year Ended June 30, 2019
(with summarized totals for year ended June 30, 2018)

	2019			2018 Total
	Without donor Restriction	With donor Restriction	Total	
REVENUE AND SUPPORT				
Government grants	\$ 1,308,259	\$ -	\$ 1,308,259	\$ 1,088,208
Contributions - foundations/ trusts	3,082,500	297,573	3,380,073	3,878,500
Contributions - corporations	532,500	-	532,500	456,847
Contributions - individuals	186,675	-	186,675	183,506
Program services	107,927	-	107,927	141,167
In-kind contributions	82,500	-	82,500	79,000
Subcontract income - affiliate	46,242	-	46,242	86,566
Special event revenue	116,492	-	116,492	109,571
Interest and other	12,062	-	12,062	7,763
Net assets released from restrictions	256,171	(256,171)	-	-
Total Revenue and Support	<u>5,731,328</u>	<u>41,402</u>	<u>5,772,730</u>	<u>6,031,128</u>
EXPENSES				
Program	4,654,288	-	4,654,288	4,440,263
Management and general	497,452	-	497,452	461,594
Fundraising	382,652	-	382,652	359,474
Total Expenses	<u>5,534,392</u>	<u>-</u>	<u>5,534,392</u>	<u>5,261,331</u>
Change in Net Assets	196,936	41,402	238,338	769,797
NET ASSETS				
Beginning of year	<u>2,721,488</u>	<u>79,507</u>	<u>2,800,995</u>	<u>2,031,198</u>
End of year	<u>\$ 2,918,424</u>	<u>\$ 120,909</u>	<u>\$ 3,039,333</u>	<u>\$ 2,800,995</u>

See notes to financial statements

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Statement of Functional Expenses
Year Ended June 30, 2019
(with summarized totals for year ended June 30, 2018)

	2019					2018 Total	
	Sector Based Training Programs	Other Programs	Total Program	Management and General	Fundraising		Total
PERSONNEL EXPENSES							
Salaries	\$ 1,501,194	\$417,665	\$ 1,918,859	\$ 106,647	\$ 227,971	\$ 2,253,477	\$ 2,178,484
Contributed services - salaries	-	82,500	82,500	-	-	82,500	79,000
Payroll taxes and fringe benefits	467,365	107,662	575,027	31,959	68,316	675,302	719,006
Total Personnel Expenses	<u>1,968,559</u>	<u>607,827</u>	<u>2,576,386</u>	<u>138,606</u>	<u>296,287</u>	<u>3,011,279</u>	<u>2,976,490</u>
OTHER THAN PERSONNEL EXPENSES							
Administration	-	-	-	104,669	-	104,669	90,189
Consultants	33,971	2,317	36,288	15,724	18,943	70,955	70,730
Occupancy costs	441,976	42,187	484,163	32,355	13,481	529,999	538,850
Depreciation and amortization	-	-	-	28,841	-	28,841	15,214
Program Expense	1,159,650	190,882	1,350,532	3,664	-	1,354,196	1,097,803
Equipment, furniture and fixtures	15,182	2,430	17,612	2,423	941	20,976	18,749
Payroll processing and bank charges	1,550	-	1,550	15,337	775	17,662	20,629
Registration and fees	160	750	910	1,401	-	2,311	1,442
Insurance	2,000	-	2,000	11,192	-	13,192	12,651
Maintenance, repairs and cleaning	5,022	-	5,022	4,194	-	9,216	6,186
Office supplies and printing	28,153	4,854	33,007	3,553	5,482	42,042	49,814
Memberships and subscriptions	-	-	-	2,359	-	2,359	1,300
Books and references	-	-	-	60	-	60	716
Professional fees, including donated services	6,500	-	6,500	77,326	-	83,826	70,967
Advertising, website and events	19,484	2,831	22,315	13,057	8,380	43,752	30,781
Utilities	28,946	3,306	32,252	3,532	1,087	36,871	45,590
Telephone, internet and postage	25,072	7,091	32,163	9,825	5,549	47,537	49,269
Software purchase and support	704	-	704	9,774	604	11,082	17,903
Conference, travel and training	34,542	13,171	47,713	11,824	1,390	60,927	30,616
Bad debt expense	-	-	-	7,736	-	7,736	66,624
Wage subsidy expense	-	5,171	5,171	-	-	5,171	14,476
Direct Fundraising events	-	-	-	-	29,733	29,733	34,342
Total Other Than Personnel Expenses	<u>1,802,912</u>	<u>274,990</u>	<u>2,077,902</u>	<u>358,846</u>	<u>86,365</u>	<u>2,523,113</u>	<u>2,284,841</u>
Total Expenses	<u>\$ 3,771,471</u>	<u>\$882,817</u>	<u>\$ 4,654,288</u>	<u>\$ 497,452</u>	<u>\$ 382,652</u>	<u>\$ 5,534,392</u>	<u>\$ 5,261,331</u>

See notes to financial statements

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Statement of Cash Flows
Year Ended June 30, 2019
(with comparative amounts for year ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 238,338	\$ 769,797
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	28,841	15,214
Bad debt expense	7,736	66,624
Changes in Operating Assets and Liabilities		
Accounts receivable	15,852	(29,128)
Grants receivable	44,105	(222,501)
Grants receivable, related parties	26,200	22,225
Prepaid insurance	(46,970)	19,243
Security deposits	(12,393)	(4,338)
Accounts payable	140,414	(49,363)
Accrued expenses	4,087	(30)
Deferred revenue	-	(12,878)
Net Cash from Operating Activities	446,210	574,865
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and fixtures	(260,167)	(39,307)
 Net Change in Cash	186,043	535,558
 CASH		
Beginning of year	1,130,071	594,513
End of year	\$ 1,316,114	\$ 1,130,071

See notes to financial statements

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status

LEAP, Inc. (“LEAP”) d/b/a Brooklyn Workforce Innovations (“BWI”) is a not-for-profit organization that works to empower low and moderate income individuals by creating living wage employment opportunities and access to career paths. LEAP creates access to stable, long term employment through job training and placement programs. LEAP is a controlled affiliate of Fifth Avenue Committee, Inc. (“FAC”). FAC has a one class membership interest in LEAP under section 803 of the Not-For-Profit-Corporation Law.

LEAP is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

LEAP, as BWI, offers a comprehensive model of workforce development services. Applicants are carefully screened, and accepted beneficiaries receive rigorous skills training in programs with employer vetted curricula leading to industry recognized skill sets and/or certifications, followed by job placement assistance and career advancement support for at least two years. BWI offers an array of skills-based trainings including:

- Red Hook on the Road (“RHOR”) is BWI’s commercial driving training program. In fiscal 2019 RHOR enrolled 253 participants and graduated 98% of them. This four-week program prepares participants for jobs as drivers of “Class B/BPS” commercial vehicles including trucks, school buses, coach or charter buses, airport shuttle buses and Access-A-Ride and other para-transit vehicles. The course consists of industry-specific skills, such as map-reading and behind the wheel instruction, as well as job readiness and soft skills, such as mock interviews and customer service skills training. So far, among graduates in fiscal 2019, 1653 individuals have secured their NYS Commercial Driver’s License, and RHOR has placed 94% of graduates into jobs with an average starting salary of \$17.5285 per hour.
- NYCHA Resident Training Academy (“NRTA”) trains residents of public housing for employment with the New York City Housing Authority (NYCHA). The program’s training combines job readiness and workplace safety with hands-on skills training and practice in specific sectors, including entry-level caretaking of public housing developments and grounds. In fiscal 2019, the program enrolled 248 public housing residents and graduated 2339 (94%) individuals. Of those, so far, 3010 (9390% of graduates) have been placed into jobs with NYCHA paying an average of \$14.25 83per hour, with excellent benefits and opportunities for career advancement.

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status (continued)

- "Made in NY" Production Assistant Training Program connects underrepresented New Yorkers with careers in TV and film production through hands-on training. The program is offered in partnership with the NYC Mayor's Office of Media and Entertainment. Participants learn set and office production assistant skills and are placed in jobs on feature films, episodic and reality TV, commercials, music videos and other productions. In fiscal 2019, the program enrolled 83 individuals, graduated 87% of them and placed 10097% of certified graduates in jobs with an average starting wage of \$18.016 per hour.
- The "Made in NY" Post Production Training Program, launched in May 2017, provides participants with the contextualized job readiness, hands-on skills training, job placement and support required to start a career in post production. The training leads to certification by the New York City Mayor's Office of Film, Theatre and Broadcasting. Training also includes: job readiness including on-camera mock interviews; job placement assistance; soft skills; vocational support/counseling; benefits counseling/support and computer literacy. In fiscal 2019, "Made in NY" Post Production enrolled 29 individuals, with a graduation rate of 97%. To date, 8672% of graduates have been placed in post production jobs with initial wages averaging \$197.309/hour.
- Brooklyn Networks is BWI's six-week tele-data cable installation training program. Brooklyn Networks trains low-income individuals for upwardly-mobile jobs installing and maintaining computer, voice, data, video and security system cabling. Utilizing a custom-built telecommunications lab located at the New York City College of Technology, the program provides targeted skills training combining the industry-accepted Building Industry Consulting Service International ("BICSI") certification with customer service skills, vocational counseling and job readiness training. In fiscal 2019, Brooklyn Networks enrolled 62 individuals, graduated 84% of them, and so far have placed 1004% of graduates in jobs with an average starting salary of \$14.6876 per hour.
- Brooklyn Woods is a seven-week training program that teaches shop production, wood technology, finishing techniques, cabinet installation, mechanical drawing, and the safe use and proper care of hand and power tools in a custom-built woodworking shop. Trainees work on evaluated projects such as a cutting board and cabinets, using various construction methods, and receive an introduction to reading shop drawings, spray finishing, and cabinet installation. Graduates are placed in jobs at large and small woodworking shops, construction and home renovation companies, home improvement stores and real estate property management firms. In fiscal 2019, the program enrolled 65 individuals, graduated 80%, and so far has placed 7982% of graduates in jobs with an average starting salary of \$15.271 per hour.

LEAP, Inc.
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Notes to Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status (*continued*)

- New York Drives (NYD) is BWI's multi-sector credential-based program, which provides core job-readiness training and access to a NYS Driver's License, which many entry-level jobs and sector-focused training programs require. In fiscal 2019, NYD enrolled 693 individuals and graduated 62 (90%). To date 568 graduates have secured their driver's license and 3223 have been placed into a job (others are actively training through a subsequent BWI skills training program or have recently graduated). Starting wages for graduates average \$16.691 per hour.

- The Brooklyn Workforce Collaboration is a workforce development partnership that helps unemployed and low-income New Yorkers access jobs created locally, particularly with industrial businesses along the Brooklyn waterfront. BWI is the lead partner and is providing employer-customized, rigorous workforce development training, career development and support services to employers in this growing area. The Collaboration uses an integrated strategy of employer-customized soft and technical skills training, pre-screening and assessment; sector-based skills training; incumbent worker training; long-term job placement and career counseling support; and access to social supports and retention services. Recently, the Collaboration has been at the forefront of a partnership with the Governor's Office of Storm Recovery (GOSR), planning and developing trainings to meet demand for work in resiliency infrastructure, especially in areas most affected by Superstorm Sandy in 2012. In fiscal 2019, BWI trained 27 New Yorkers through the initiative, graduating 96% of them and so far have placed 3570% of graduates into jobs. Average starting wages for graduates are \$17.9155 per hour.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying 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"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly actual results could differ from those estimates.

Change in Accounting Principle

On July 1, 2018, LEAP adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities (ASU 2016-14). This guidance requires LEAP to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires LEAP to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements.

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Net Asset Presentation

LEAP reports information regarding financial position and activities according to two classes of net assets: without and with donor restrictions.

Without donor restrictions – consist of resources available for the general support of LEAP’s operations. Net assets without donor restrictions may be used at the discretion of LEAP’s management and Board of Directors.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require LEAP to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the “without donor restrictions” or “with donor restrictions” net asset classes based upon stipulations by the donors. At June 30, 2019 and 2018, LEAP has no net assets with donor restrictions that are perpetual in nature.

Allowance for Doubtful Accounts

LEAP evaluates the collectability of receivables based on a combination of factors. Where management is aware of a customer’s inability to meet its financial obligation, a reserve for the potential bad debt to reduce the receivable to the estimated realizable value is recorded. Past due status is based on how recently payments have been received. An allowance for doubtful accounts was not necessary at June 30, 2019 and 2018.

Leasehold Improvements, Equipment and Fixtures

Leasehold improvements, equipment and fixtures are stated at cost. Depreciation of equipment and fixtures is computed on the straight-line basis over its useful life. Depreciation of leasehold improvements is computed on a straight-line basis over the term of the operating lease or life of the asset, whichever is shorter.

The estimated useful lives by asset class are as follows:

	<u>Useful Life</u>
Equipment and fixtures	3-5 years
Leasehold improvements	10 years

LEAP, Inc.
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Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Revenue Recognition

Contributions are recorded when an unconditional promise to give is received. Contributions received are recorded as with or without donor restriction depending on the existence or nature of any donor imposed stipulations.

Conditional contributions and grants are recognized as revenue when the conditions on which they depend have been substantially met.

Fees received for program services are recognized as the services are performed or expenditures are incurred.

Grant revenue is recognized when related expenditures under the agreements are incurred.

In-kind Contributions

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are reflected in the accompanying statement of activities at their fair value at the time the services are rendered.

Allocation of Expenses

Expenses are charged directly to program or support service categories based on specific identification of expenses. Common expenses are allocated on an equitable basis to all programs and support services based on management's estimates.

Accounting for Uncertainty in Income Taxes

LEAP recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that LEAP had no uncertain tax positions that would require financial statement recognition or disclosure. LEAP is no longer subject to examinations by the applicable taxing jurisdictions for tax periods prior to June 30, 2016.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 9, 2019.

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with LEAP's financial statements as of and for the year ended June 30, 2018, from which the summarized information was derived.

3. Concentration of Credit Risk

Financial instruments that potentially subject LEAP to significant concentrations of credit risk consist principally of cash and grants receivables. LEAP maintains its cash with three financial institutions, which at times, may be in excess of federally insured limits. LEAP has not experienced any losses on its cash accounts.

A concentration of credit risk exists with respect to grant receivables from one source which represented 38% and 29% of the total grants receivable as of June 30, 2019 and 2018. Receivables are expected to be collected in the normal course of business.

4. Transactions with Affiliated Companies

Operating expenses incurred by LEAP on behalf of FAC are billed to FAC and are reported as subcontract income on the statement of activities, which amounted to \$46,242 and \$86,566 for the years ended June 30, 2019 and 2018.

Operating expenses paid for by FAC on behalf of LEAP resulted in billings to LEAP totaling \$399,434 and \$395,515 for the years ended June 30, 2019 and 2018. This includes rent expense of \$135,349 and \$137,294 for the years ended June 30, 2019 and 2018.

Grants from FAC totaled \$1,250 and \$1,575 for the years ended June 30, 2019 and 2018. Grants receivable owed to LEAP from FAC totaled \$26,200 as of June 30, 2018.

5. Pension Plan

LEAP has a Simplified Employee Pension Plan (the "Plan"), which is a defined contribution plan. LEAP made contributions of \$72,990 and \$72,990 to the Plan for the years ended June 30, 2019 and 2018.

LEAP, Inc.
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Notes to Financial Statements
June 30, 2019 and 2018

6. Leasehold Improvements, Equipment and Fixtures

Leasehold improvements, equipment and fixtures as of June 30 consist of the following:

	2019	2018
Equipment and fixtures	\$ 367,252	\$ 363,123
Leasehold improvements	944,133	688,095
	1,311,385	1,051,218
Accumulated depreciation and amortization	(1,034,935)	(1,006,094)
	\$ 276,450	\$ 45,124

7. Commitments and Contingencies

LEAP leases commercial office space under the terms of three operating leases which expire during various years through 2029. Rent expense for the years ended June 30, 2019 and 2018 was \$299,000 and \$538,850.

Minimum required lease payments for the years ended June 30, are as follows:

2020	\$ 480,910
2021	484,899
2022	200,437
2023	66,044
2024	70,720
Thereafter	385,388
	\$ 1,688,398

LEAP, Inc.
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Notes to Financial Statements
June 30, 2019 and 2018

8. Net Assets with Donor Restriction

Changes in net assets with donor restriction consist of the following for the years ended June 30, 2019 and 2018:

Purpose/ Restriction	Balance June 30, 2018	Additions	Releases	Balance June 30, 2019
Program Planning	\$ 14,418	\$ -	\$ (14,418)	\$ -
Brooklyn Woods	1,000	14,000	(15,000)	-
Red Hook on the Road & Brooklyn Networks	-	50,000	(50,000)	-
Workforce Collaboration	62,489	175,000	(148,675)	88,814
Support to Training Graduates	1,600	-	(1,600)	-
Equipment	-	10,000	-	10,000
CDL Bridge Program	-	48,573	(26,478)	22,095
	<u>\$ 79,507</u>	<u>\$ 297,573</u>	<u>\$ (256,171)</u>	<u>\$ 120,909</u>

Purpose/ Restriction	Balance June 30, 2017	Additions	Releases	Balance June 30, 2018
Program Planning	\$ 19,408	\$ -	\$ (4,990)	\$ 14,418
Brooklyn Woods	-	20,000	(19,000)	1,000
New York Drives	-	50,000	(50,000)	-
Red Hook on the Road & Brooklyn Networks	-	50,000	(50,000)	-
Workforce Collaboration	-	175,000	(112,511)	62,489
Support to Training Graduates	13,107	-	(11,507)	1,600
Equipment	-	10,000	(10,000)	-
Enhance Marketing and Communications	32,295	-	(32,295)	-
	<u>\$ 64,810</u>	<u>\$ 305,000</u>	<u>\$ (290,303)</u>	<u>\$ 79,507</u>

LEAP, Inc.
d/b/a Brooklyn Workforce Innovations

Notes to Financial Statements
June 30, 2019 and 2018

9. Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, is comprised of the following:

Financial assets at year-end	
Cash and cash equivalents	\$1,316,121
Accounts receivables	140,439
Grants receivable	<u>1,702,880</u>
Total Financial Assets	3,159,440
Less amounts unavailable for general expenditure:	
Restricted by donors with purpose restrictions	<u>(120,909)</u>
Financial Assets at Year End Available to Meet Cash	
Need for general expenditures within one year	<u>\$3,038,531</u>

As part of its liquidity risk management, LEAP maintains a cash balance to ensure it is available as its general expenditures, liabilities, and obligations come due within one year. In addition, LEAP monitors the status and collectability of its accounts receivables on a regular basis.

10. Economic Dependency

Funding from one source amounted to approximately 32% of total revenue and support for the years ended June 30, 2019 and 2018. LEAP is economically dependent on these funds to maintain the current level of operations.

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