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January 29, 2019
To the Board of Trustees
MindLeaps
315 West 16th Street, 10th floor,
New York, NY 10018

We have audited the financial statements of MindLeaps (the "Organization") for the year ended August 31, 2018, and we will issue our report thereon dated January 29, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 10, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MindLeaps are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

> Management's estimate of functional expense allocations is based on a cost allocation plan and statistical data gathered by management through periodic reviews of payroll and other expense records. We evaluated the key factors and assumptions used to develop the allocation method in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated January 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of the Board of Trustees and management of MindLeaps and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Nisivoccia LLP

Nisivoccia LLP

MINDLEAPS

FINANCIAL STATEMENTS

AUGUST 31, 2018

(WITH COMPARATIVE TOTALS FOR 2017)

MINDLEAPS
TABLE OF CONTENTS
AUGUST 31, 2018 AND 2017

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Independent Auditors' Report

To the Board of Trustees of
MindLeaps
New York, NY 10018

Report on the Financial Statements

We have audited the accompanying financial statements of MindLeaps (the "Organization"), which comprise the statement of financial position as of August 31, 2018, 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.

Auditor's Responsibility

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

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

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

To the Board of Trustees of
MindLeaps
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MindLeaps as of August 31, 2018, 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.

Report on Summarized Comparative Information

We have previously audited MindLeaps 2017 financial statements, and our report dated April 16, 2018, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nisivoccia LLP

Mt. Arlington, New Jersey
January 29, 2019

MINDLEAPS
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2018 AND 2017

	2018	2017
ASSETS		
Assets:		
Cash and cash equivalents	$ 36,987	$ 31,197
Prepaid expenses	239	1,691
Other assets	29,532	33,480
Total current assets	66,758	66,368
Property and equipment, net	11,931	9,287
Intangible asset, net	10,334	20,667
Total assets	$ 89,023	$ 96,322
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 19,100	$ 25,628
Total liabilities	19,100	25,628
Net assets:		
Unrestricted	66,860	64,794
Temporarily restricted	3,063	5,900
Total net assets	69,923	70,694
Total liabilities and net assets	$ 89,023	$ 96,322

MINDLEAPS

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	$ 444,342	$ 3,063	$ 447,405	$ 267,028	$ 5,900	$ 272,928
Program income	7,471		7,471	13,350		13,350
In-kind donations	13,183		13,183	60,631		60,631
Investment income (loss)	(5)		(5)	844		844
Net assets released from restrictions due to satisfaction of restrictions	5,900	(5,900)				
Total revenue and support	470,891	(2,837)	468,054	341,853	5,900	347,753
Expenses:						
Program services:	377,058		377,058	261,771		261,771
Supporting services:						
Management and general	72,511		72,511	62,967		62,967
Fundraising	19,256		19,256	32,566		32,566
Total supporting services	91,767		91,767	95,533		95,533
Total expenses	468,825		468,825	357,304		357,304
Change in net assets	2,066	(2,837)	(771)	(15,451)	5,900	(9,551)
Net assets, beginning of year	64,794	5,900	70,694	80,245		80,245
Net assets, end of year	$ 66,860	$ 3,063	$ 69,923	$ 64,794	$ 5,900	$ 70,694

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MINDLEAPS

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)

		Supporting Services				
	Total Program Services	General and Administration	Fundraising	Total Support Services	2018 Total	2017 Total
Salaries	$ 21,500	$ 20,600	$ 7,167	$ 27,767	$ 49,267	
Payroll taxes	1,645	1,576	549	2,125	3,770	
Total personnel services	23,145	22,176	7,716	29,892	53,037	
Head office staff expense	9,000	10,300	3,000	13,300	22,300	$ 68,275
Program staff expense	116,667				116,667	73,898
Taxes	27,876	2,506		2,506	30,382	18,558
Special events, marketing and advertising	6,715		4,920	4,920	11,635	16,008
Professional fees	1,090	17,150		17,150	18,240	13,526
Insurance & bank fees	1,617	1,021		1,021	2,638	3,039
Travel	59,647				59,647	19,774
Donor travel			3,569	3,569	3,569	
School fees & academic programs	41,921				41,921	35,058
Meal & health programs	18,033				18,033	10,209
Family support program	1,160				1,160	1,708
Other miscellaneous support programs	7,485				7,485	5,925
Research & curriculum development	6,125				6,125	2,383
Partnership programs	3,466				3,466	17,100
Donated IT & supplies	13,183				13,183	21,395
Office & supplies expense	8,958	61	51	112	9,070	1,746
IT & utilities	2,431	3,481		3,481	5,912	4,298
Lease expense	13,008	15,816		15,816	28,824	27,481
Repairs and maintenance	842				842	3,573
Total expenses before depreciation	362,369	72,511	19,256	91,767	454,136	343,954
Depreciation and amortization	14,689				14,689	13,350
Total expenses	$ 377,058	$ 72,511	$ 19,256	$ 91,767	$ 468,825	$ 357,304

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

MINDLEAPS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31,2018 AND 2017

		2018		2017
Cash flows from operating activities:				
Change in net assets	$	(771)	$	(9,551)
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:				
Depreciation & amortization		14,689		13,350
Donated investment securites		(4,214)		(14,873)
Net realized (gain) loss on investments		5		(841)
Changes in operating assets and liabilities:				
Prepaid expenses		1,452		(1,691)
Other assets		3,948		(29,883)
Accounts payable and accrued expenses		(6,528)		10,443
Net cash provided by (used) in operating activities		8,581		(33,046)
Cash flows from investing activities:				
Purchase of property and equipment		(7,000)		(26,500)
Sale of investment securities, net		4,209		15,714
Net cash used in investing activities		(2,791)		(10,786)
Net increase (decrease) in cash and cash equivalents		5,790		(43,832)
Cash and cash equivalents, beginning of year		31,197		75,029
Cash and cash equivalents, end of year	$	36,987	$	31,197
Supplemental disclusure of cash flow information:				
Cash paid during the year for:				
Interest	$	8	$	87
Supplemental disclosure of noncash activities:				
Donated investment securities	$	4,214	$	14,873

MINDLEAPS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

Note 1 - Nature of Operations

MindLeaps (formerly known as the Rebecca Davis Dance Company) (the "Organization") is a 501(c)(3) not-for-profit organization formed for the purpose of providing programs to advance the lives of underserved children in post-conflict and developing countries. Each of the Organization's programs combines dance classes that improve social-emotional learning with educational workshops. The Organization currently has field offices in Rwanda and Guinea and partnership programs in Mauritania, Uganda and Kenya.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United State of America.

Basis of Presentation

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Accounting for Contributions Received and Made,* and *Financial Statements of Not-for-Profit Organizations. Financial Statements of Not-for-Profit Organizations* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. *Accounting for Contributions Received and Made* requires that unconditional promises to give be recorded as receivables and revenue, and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Unrestricted net assets are resources representing the portion of expendable funds available for support of the Organization's programs and general operations. These resources are not subject to donor-imposed stipulations.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had temporarily restricted net assets of $3,063 and $5,900 as of August 31, 2018 and 2017, respectively. Temporarily restricted net assets released from restriction amounted to $5,900 for the year ended August 31, 2018. No amounts were released from restriction during the year ended August 31, 2017.

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Permanently restricted net assets are net assets subject to donor-imposed stipulations to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets as of August 31, 2018 or 2017.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on estimates made by management. Support costs are allocated to a program based on total program costs. Program expenses are those related to dance, skill building, and educational programs. Management and general relate to administrative expenses related to those programs. Fundraising relates to special events and development activities carried on by the Organization. The allocation of employees' salaries and other costs are based on methods considered by management to be reasonable.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is also exempt under Pennsylvania Nonprofit Corporation Law of 1972. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

As required by law, the Organization files informational returns with both the United States federal and State of Pennsylvania jurisdictions on an annual basis- Form 990 with the Internal Revenue Service, and Form BCO-10 with the State. These returns are subject to examination by these authorities within certain statutorily defined periods from the latest filing date for Federal and Pennsylvania.

Revenue and Contribution Recognition

Contributions are recognized as revenue and receivables when they are received or unconditionally pledged. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Revenue and Contribution Recognition (Cont'd)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if the donor restriction is satisfied during the accounting period in which the gift was received, the gifts are reported as unrestricted contributions in the statement of activities.

The Organization accounts for contract and grant revenue, which are exchange transactions, in the statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each individual program are used as guidance. All amounts not expended in accordance with the grant or contract are recorded as a liability to the grantor as the Organization does not maintain any equity in the grant or contract.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less when acquired.

Property and Equipment

Purchased property and equipment additions exceeding $1,000 are capitalized and recorded at their original cost. Donations of property, plant and equipment are recorded as support at their estimated fair value on the date of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Major repairs, improvements and replacements are capitalized. Maintenance and minor repairs and replacements, which do not improve or extend the life of the respective assets, are charged to expense as incurred. Proceeds from the sale of fixed assets, if unrestricted, are transferred to unrestricted net assets, or, if restricted, to deferred amounts restricted for fixed asset acquisition. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets.

In accordance with FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization periodically evaluates property for impairment, relying on a number of factors including operating results, and future business plans. Recoverability of property is evaluated by a comparison of the carrying amount of an asset or asset group to estimated future recoverability of the carrying amount of the asset or asset group. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the estimated fair value.

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Intangible Assets

In accordance with FASB ASC, *Intangibles - Goodwill and Other - Internal-Use Software*, internal and external costs incurred during the application development stage to develop computer software solely to meet the Organization's internal needs are capitalized. Costs incurred during the preliminary project stage and post-implementation/operation stage are expensed as incurred. Capitalized software costs are amortized on a straight-line basis over the estimated useful life of the software.

Donated Services

The Board of Trustees makes significant contributions of time relative to general management and operations of the Organization. These donated services are not reflected in the financial statements for the years ended August 31, 2018 and 2017 since they do not meet the criteria for recognition as contributed services in accordance with U.S. generally accepted accounting principles.

Fair Value of Financial Instruments

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The measurement of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the Organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

MINDLEAPS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018
(Continued)

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Fair Value of Financial Instruments (Cont'd)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the Organization capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. For some assets and liabilities, observable market transactions or market information may be available.

For other assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017.

Cash and cash equivalents, prepaid expenses, other assets, accounts payable and accrued expenses: The carrying amount approximates fair value because of the short term maturity of these instruments.

Investments

The Organization records investments in accordance with FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations.* Under this standard, securities purchased for investment are carried at market value; those received as gifts are recorded at market value at date of gift and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investment income or loss (including interest and dividends) and gains/losses on sale of investments are included in the statement of activities unless the income or loss is restricted by the donor or law. A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statement of activities and a new cost basis would be established. For the year ended August 31, 2018, the Organization did not record any impairment charge in the statement of activities.

MINDLEAPS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(Continued)

Note 2 - Summary of Significant Accounting Policies (Cont'd)

Investments Held by the Community Foundation of Texas

The Organization holds a non-donor advised designated fund with the Community Foundation of Texas ("CFT"). CFT has variance power over the funds, therefore the Organization does not recognize a potential interest in future distributions from CFT. Instead, the Organization accounts for amounts received from the CTF as contributions on the statements of activities. During the years ended August 31, 2018 and 2017 donors contributed $40,268 and $35,904, respectively, to the Community Foundation of Texas in support of MindLeaps. The Organization received distributions from CFT of $40,000 and $34,000 during the years ended August 31, 2018 and 2017, respectively.

Advertising

The Organization expenses the cost of advertising at the time it is paid. Advertising expense amounted to $11,635 and $16,008 for the years ended August 31, 2018 and 2017, respectively.

New Pronouncements

In August 2016, the FASB issued ASU 2016-14, *"Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities"* to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in ASU 2016-14 are effective for nonprofit entities for fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018. The amendments in this update should be applied retrospectively. The Organization is currently evaluating the impact of this standard.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after August 31, 2018 through the date of the independent auditors' report and the date the financial statements were available to be issued on January 29, 2019. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

Note 3 – Investments

Investments are stated at fair value, based on quoted market prices. It is the Organization's policy to liquidate donated securities immediately upon receipt. Investment activity at August 31, 2018 and 2017 consisted of the following:

	2018	2017
Beginning balance	$ 3	$ -
Interest income		3
Donated securities	4,214	14,873
Sales	(4,205)	(15,681)
Realized gains (loss)	(5)	841
Fees	(5)	(33)
Ending balance	$ 2	$ 3

MINDLEAPS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018
(Continued)

Note 3 – Investments (Cont'd)

As of August 31, 2018 and 2017, the Organization held a cash balance of $2 and $3, respectively, within the account. The balance has been included with cash and cash equivalents on the statement of financial position.

Note 4 – Property and Equipment

Property and equipment and their related estimated useful lives at August 31, 2018 and 2017 are comprised of the following:

	Estimated Useful Life (Years)	2018	2017
Leasehold improvements	7	$ 7,035	$ 7,035
Vehicles	5	7,000	
Equipment	5	16,633	16,633
		30,668	23,668
Less: accumulated depreciation		(18,737)	(14,381)
		$ 11,931	$ 9,287

Depreciation expense for the years ended August 31, 2018 and 2017 totaled $4,356 and $3,017, respectively.

Note 5 – Intangibles

The Organization incurred costs to develop an application designed to track the impact of the Organization's field programs. Intangible assets and their related estimated useful lives at August 31, 2018 and 2017 are comprised of the following:

	Estimated Useful Life (Years)	2018	2017
Intangibles (tracker program)	3	$ 31,000	$ 31,000
Less: accumulated amortization		(20,666)	(10,333)
		$ 10,334	$ 20,667

Amortization expense amounted to $10,333 for the years ended August 31, 2018 and 2017.

Note 6 – Leases

The Organization leases a building in Rwanda that is used as a teaching space under a non-cancelable operating lease expiring February 28, 2019. This lease shall automatically renew on a perpetual basis unless either party terminates in writing. Rent expense incurred related to this operating lease was $750 per month for the year ended August 31, 2018. In 2016 the Organization entered into a lease agreement for office space in New York under a month to month agreement. Rent expense incurred related to the New York office space operating lease was $1,318 per month for the year ended August 31, 2018.

MINDLEAPS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018
(Continued)

Note 6 – Leases (Cont'd)

In June 2017, the Organization entered into an 18-month lease agreement for a facility in Guinea. This lease shall automatically renew for an additional 12 months unless either party terminates in writing. Rent expense incurred related to this operating lease was $333 per month for the year ended August 31, 2018. Total rent expense for all operating leases for the years ended August 31, 2018 and 2017 amounted to $28,824 and $27,481, respectively.

Future minimum rental payments due under the leases are as follows:

Year Ending August 31,	
2019	$ 8,508
2020	1,336
	$ 9,844

Note 7 – Restrictions on Net Assets

Temporarily restricted net assets at August 31, 2018 are restricted for the following purposes:

	2018
Guinea Center Improvements	$ 3,063

Temporarily restricted net assets at August 31, 2017 are restricted for the following purposes:

	2017
School fees	$ 3,600
Rugerero program	1,027
Rwanda fundraising	1,273
	$ 5,900

Note 8 – In-Kind Contributions

The Organization receives various types of non-cash contributions such as, internet services and dance wear, designated to assist the purpose and mission of the Organization. The estimated fair value of the donated products and services received during the years ended December 31, 2018 and 2017 was $13,183 and $60,631, respectively.