New Directions Career Center
Financial Statements
As of December 31, 2018 and for the Year then Ended

Index to the Financial Statements

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Independent Auditor's Report

To the Board of Directors of
New Directions Career Center

We have audited the accompanying financial statements of New Directions Career Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Directions Career Center as of December 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.

Ary Roepcke Mulchaey, P.C.
Columbus, Ohio
March 21, 2019

New Directions Career Center
Statement of Financial Position
December 31, 2018

		2018
Assets		
Current assets		
Cash and cash equivalents	$	102,600
Investments at fair value		44,249
Accounts receivable		2,208
Prepaids and other assets		30,689
Total current assets		179,746
Non-current assets		
Investments with donor restrictions at fair value		65,519
Beneficial interest in assets held by others		264,572
Property and equipment, net		42,139
Total non-current assets		372,230
Total assets	$	551,976
Liabilities and net assets		
Current liabilities		
Accounts payable	$	9,985
Total current liabilities		9,985
Net assets		
Net assets without donor restrictions		476,472
Net assets with donor restrictions		65,519
Total net assets		541,991
Total liabilities and net assets	$	551,976

The accompanying notes are an integral part of these financial statements.

New Directions Career Center
Statement of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Program service	$ 268,525	$ -	$ 268,525
Grants	215,822	3,000	218,822
Fundraising	397,648	-	397,648
In-kind donations	386,729	-	386,729
Endowment Fund loss	(16,823)	-	(16,823)
Net investment loss	(553)	(1,358)	(1,911)
Net assets released from restrictions	5,500	(5,500)	-
Total support and revenue	1,256,848	(3,858)	1,252,990
Expenses			
Personnel	592,682	-	592,682
Program expenses	73,402	-	73,402
Supplies	14,350	-	14,350
Professional fees	42,658	-	42,658
Occupancy	92,849	-	92,849
Depreciation	30,840	-	30,840
Fundraising	63,289	-	63,289
Travel and entertainment	2,307	-	2,307
Advertising	5,352	-	5,352
Postage	565	-	565
Catering	56,927	-	56,927
Room rental	14,699	-	14,699
Technology	33,724	-	33,724
In-kind donations	386,729	-	386,729
Other	27,727	-	27,727
Total expenses	1,438,100	-	1,438,100
Change in net assets	(181,252)	(3,858)	(185,110)
Net assets - beginning of year	657,724	69,377	727,101
Net assets - end of year	$ 476,472	$ 65,519	$ 541,991

The accompanying notes are an integral part of these financial statements.

New Directions Career Center
Statement of Cash Flows
For the Year Ended December 31, 2018

		2018
Operating activities		
Change in net assets	$	(185,110)
Adjustments to reconcile change in net assets to		
net cash used for operating activities:		
Depreciation		30,840
Change in endowment fund		16,823
Board authorized withdrawal from endowment fund		90,000
Net realized and unrealized loss on investments		2,671
Increase (decrease) in cash from changes in		
certain assets and liabilities:		
Accounts receivable		(938)
Prepaids and other assets		(17,638)
Accounts payable		(2,527)
Net cash used for operating activities		(65,879)
Investing activities		
Purchase of investments		(3,000)
Sale of investments		47,500
Net cash provided by investing activities		44,500
Net change in cash and cash equivalents		(21,379)
Cash and cash equivalents at beginning of year		123,979
Cash and cash equivalents at end of year	$	102,600

The accompanying notes are an integral part of these financial statements.

1. Nature of Activities

Organization

New Directions Career Center (the Organization) strives to uplift and empower women to achieve and maintain self-sufficiency by being the spark that encourages and motivates every women to live her life to her full potential. The Organization achieves its mission by providing holistic career counseling, employment-related education and information services in the Columbus, Ohio region.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restriction net assets
Net assets that are expendable for any purpose in performing the primary objects of the Organization that are not subject to donor-imposed restrictions.

With donor restriction net assets
Net assets that are subject to donor-imposed restrictions that specify a use for a contributed asset that is more specific than board limits resulting from the following:

- The nature of the Organization;
- the environment in which it operates; and
- the purpose specified in its articles of incorporation or bylaws.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Investments

All investments are recorded at fair value in the financial statements. See Note 3 for further discussion.

Accounts Receivable

Accounts receivable consists of contributions and have been reported at net realizable value. The Organization does not have an allowance for doubtful accounts as all receivables are considered collectible within one year.

Property and Equipment

The Organization capitalizes expenditures for property and equipment having a unit cost in excess of $1,500 and a useful life of three or more years. Property and equipment are stated at cost and depreciated using the straight-line method over estimated useful life, ranging from three to thirty-nine years.

Support and Revenue

The Organization's support and revenue consists mainly of grants, contributions from the public, and a variety of fundraising sources. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Advertising

The Organization expenses all advertising costs as they are incurred.

Federal Income Tax

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, these financial statements do not reflect any provision for income taxes and the organization has no other tax positions which must be considered for disclosure.

Estimates

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

Related Parties

During 2018, a related party to the Board of Directors made in-kind donations that totaled $84,500. The Organization has not identified any other related party transactions.

New Accounting Pronouncements

In February of 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. The FASB issued ASU 2016-02 to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, a lessee will recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current accounting principles generally accepted in the United States (U.S. GAAP). ASU 2016-02 retains a distinction between finance leases (i.e. capital leases under current U.S. GAAP) and operating leases. The classification criteria for distinguishing between finance leases and operating leases will be substantially similar to the classification criteria for distinguishing between capital leases and operating leases under current U.S. GAAP. The amendments of this ASU are effective for reporting periods beginning after December 15, 2019, with early adoption permitted. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Management anticipates adopting ASU 2016-02 in 2020 and are currently evaluating the impact on the financial statements.

Recently Issued Accounting Standards

For the year ended December 31, 2018, the Organization adopted the FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources (see Note 11), and the lack of consistency in the type of information provided about expenses and investment return between Not-for-Profit Entities. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are not reported as net assets with donor restrictions.

3. Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value.

Mutual Funds – Mutual funds are valued based on quoted market prices and as such, they are classified as level 1 on the valuation hierarchy. At December 31, 2018, the Organization's mutual funds totaled $374,340, with $264,572 being held by others via the Columbus Foundation Endowment Fund (see Note 4). Also, at December 31, 2018, The Organization's investments contain $65,519 of mutual funds that are with donor restrictions (see Note 6).

These methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Beneficial Interest in Assets Held by Others

In 1999, the Organization established the New Directions Career Center, Inc. Endowment Fund (the Endowment Fund) with the Columbus Foundation (the Foundation), an Ohio Not-for-Profit corporation. The Endowment Fund is to be used for charitable and educational purposes. Distributions will be made from the Fund to charitable organizations at the discretion of the Foundation's Board of Directors (the Board).

FASB ASC 958, *Not-for-Profit Entities*, states that a transfer of assets where the resource provider specifies itself or an affiliate as the beneficiary is not a contribution and shall be recorded as an asset. Accordingly, the Organization has recognized its interest in funds contributed to the Foundation on the statement of financial position as a beneficial interest in assets held by others.

The following table shows the activity in the Endowment Fund for the year ended December 31:

		2018
Beginning balance	$	371,395
Investment income		23,379
Net depreciation		(31,931)
Board authorized distribution		(90,000)
Grants paid		(6,972)
Fees		(1,299)
Ending balance	$	264,572

The Endowment Fund is invested in equity markets that maintain a balanced approach for performance on a long-term basis. These mutual funds are valued based on quoted market prices and as such, they are classified as level 1 on the valuation hierarchy.

5. Property and Equipment

Property and equipment consist of the following as of December 31:

		2018
Equipment	$	82,495
Furniture and fixtures		19,861
Leasehold improvements		35,085
		137,441
Less: accumulated depreciation		(95,302)
Total property and equipment	$	42,139

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

		2018
Bostwick Scholarship Fund	$	50,862
Danter Scholarship Fund		14,657
	$	65,519

The Bostwick Scholarship Fund and The Danter Scholarship Fund were established to provide scholarships to women who are program graduates that need to pursue post-secondary education to realize their career goals.

7. Revolving Line of Credit

During 2018, the Organization executed a new line of credit agreement in the amount of $100,000 with The Huntington National Bank, which is secured by substantially all assets of the Organization and has an interest rate of Prime plus .50% floating. There was no outstanding balance on this line of credit as of December 31, 2018.

8. In-Kind Contributions

The Organization relies on the generous contributions of various corporations and individuals who provide the Organization with such needed items as facilities, merchandise, supplies, and clothing. Management has estimated the fair value to be approximately $311,671 for the year ended December 31, 2018. The Organization also relies on individual volunteers who contribute teaching services that require a specialized skill. Management has estimated the value of these services to be approximately $75,058 for the year ended December 31, 2018, in accordance with FASB ASC 958, *Not-for-Profit Entities.*

The aforementioned amounts are included as both a revenue and expense on the Statement of Activities. It is in the opinion of the Organization's management that if there were a significant reduction in the level of this in-kind support, it may have a significant impact on the programs and activities offered by the Organization.

9. Operating Lease

The Organization entered into a non-cancellable operating lease agreement for office space in Columbus, Ohio during August of 2015. In February 2018, the Organization extended its lease agreement through August 2020. The extended non-cancellable lease requires monthly payments of $6,340. Rent expense related to this lease agreement totaled $72,382 and future minimum lease payments under the lease agreement total $76,080 during 2019 and $44,380 during 2020.

10. Income Taxes

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization has analyzed the tax positions taken, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

11. Liquidity and Availability of Financial Assets

The Organization's primary sources of revenue are from grants, contributions from the public and various fundraising sources. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, total financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to maintain three months of operating expenses in investments along with investing in short-term investments. In addition, the Organization has an unused line of credit of $100,000. At the discretion of the Board, distributions can be made from the Endowment Fund to be used for charitable and educational purposes.

The Organization's financial assets available within one year of the balance sheet date for general expenditure were as follows as December 31, 2018:

Cash and cash equivalents	$	102,600
Investments		109,768
Accounts receivable		2,208
Endowment Fund		264,572
Total financial assets		479,148
Contractual or donor-imposed restrictions:		
Endowment Fund		(264,572)
Other donor restrictions		(65,519)
Financial assets available to meet cash needs for general expenditures within one year	$	149,057

12. Functional Expenses

The following are the functional expenses for the year ended December 31, 2018:

	Program Services	Supporting Services		
	Counseling	Management and general	Fundraising	Total
Personnel	$ 402,373	$ 28,460	$ 161,849	$ 592,682
Program	73,402	-	-	73,402
Supplies	3,416	2,713	8,221	14,350
Professional fees	2,977	37,591	2,090	42,658
Occupancy	75,972	10,245	6,632	92,849
Depreciation	25,906	2,467	2,467	30,840
Fundraising	-	-	63,289	63,289
Travel	332	1,273	702	2,307
Advertising	1,893	-	3,459	5,352
Postage	25	540	-	565
Catering	2,907	-	54,020	56,927
Room rental	-	-	14,699	14,699
Technology	26,631	3,233	3,860	33,724
In-kind	107,175	-	279,554	386,729
Other	5,829	7,363	14,535	27,727
	$ 728,838	$ 93,885	$ 615,377	$ 1,438,100

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses, depreciation and rent, are allocated on a square-footage basis, as well as salaries, which are allocated on the basis of time and effort.

13. Subsequent Events

Subsequent events have been evaluated through March 21, 2019, the date the financial statements were available to be issued.