New Directions Career Center
Financial Statements
As of December 31, 2019 and 2018 and for the Years 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 statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years 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 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 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, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ary Roepcke Mulchaey, P.C.

Columbus, Ohio
March 19, 2020

New Directions Career Center
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 123,935	$ 102,600
Investments at fair value	53,255	44,249
Accounts receivable	319	2,208
Prepaids and other assets	7,551	30,689
Total current assets	185,060	179,746
Non-current assets		
Investments with donor restrictions at fair value	73,975	65,519
Beneficial interest in assets held by others	317,601	264,572
Property and equipment, net	23,894	42,139
Total non-current assets	415,470	372,230
Total assets	$ 600,530	$ 551,976
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 4,462	$ 9,985
Credit card payable	4,583	-
Refundable advance	20,000	-
Total liabilities	29,045	9,985
Net assets		
Net assets without donor restrictions	497,510	476,472
Net assets with donor restrictions	73,975	65,519
Total net assets	571,485	541,991
Total liabilities and net assets	$ 600,530	$ 551,976

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

New Directions Career Center
Statements of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Program service	$ 267,744	$ -	$ 267,744
Grants	231,989	-	231,989
Fundraising	332,084	-	332,084
In-kind donations	223,896	-	223,896
Endowment Fund gain	53,029	-	53,029
Net investment gain	9,595	9,870	19,465
Net assets released from restrictions	1,414	(1,414)	-
Total support and revenue	1,119,751	8,456	1,128,207
Expenses			
Personnel	526,069	-	526,069
In-kind donations	223,896	-	223,896
Occupancy	94,541	-	94,541
Program expenses	57,013	-	57,013
Fundraising	46,048	-	46,048
Catering	40,481	-	40,481
Technology	25,539	-	25,539
Depreciation	18,245	-	18,245
Other	17,457	-	17,457
Supplies	17,337	-	17,337
Professional fees	16,908	-	16,908
Room rental	10,350	-	10,350
Advertising	3,251	-	3,251
Postage	816	-	816
Travel and entertainment	762	-	762
Total expenses	1,098,713	-	1,098,713
Change in net assets	21,038	8,456	29,494
Net assets - beginning of year	476,472	65,519	541,991
Net assets - end of year	$ 497,510	$ 73,975	$ 571,485

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

New Directions Career Center
Statements 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
In-kind donations	386,729	-	386,729
Occupancy	92,849	-	92,849
Program expenses	73,402	-	73,402
Fundraising	63,289	-	63,289
Catering	56,927	-	56,927
Professional fees	42,658	-	42,658
Technology	33,724	-	33,724
Depreciation	30,840	-	30,840
Other	27,727	-	27,727
Room rental	14,699	-	14,699
Supplies	14,350	-	14,350
Advertising	5,352	-	5,352
Travel and entertainment	2,307	-	2,307
Postage	565	-	565
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
Statements of Cash Flows
For the Year Ended December 31, 2019 and 2018

	2019	2018
Operating activities		
Change in net assets	$ 29,494	$ (185,110)
Adjustments to reconcile change in net assets to		
net cash provided by (used for) operating activities:		
Depreciation	18,245	30,840
Change in endowment fund	(53,029)	16,823
Board authorized withdrawal from endowment fund	-	90,000
Net realized and unrealized gain (loss) on investments	(18,876)	2,671
Increase (decrease) in cash from changes in		
certain assets and liabilities:		
Accounts receivable	1,889	(938)
Prepaids and other assets	23,138	(17,638)
Accounts payable	(5,523)	(2,527)
Credit card payable	4,583	-
Refundable advance	20,000	-
Net cash proividedy by (used for) operating activities	19,921	(65,879)
Investing activities		
Purchase of investments	-	(3,000)
Sale of investments	1,414	47,500
Net cash provided by investing activities	1,414	44,500
Net change in cash and cash equivalents	21,335	(21,379)
Cash and cash equivalents at beginning of year	102,600	123,979
Cash and cash equivalents at end of year	$ 123,935	$ 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 ten 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 2019 and 2018, a related party to the Board of Directors made in-kind donations that totaled $13,000 and $84,500, respectively.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contribution Revenue

Unconditional contributions are recognized as revenue in the month the commitment of payment is first received. Conditional contributions are not recognized until the conditions are substantially met, the pledge or grant can be considered legally enforceable or the likelihood of the condition not occurring is remote. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. It is the Organization's policy to report any contributions received with donor restrictions whose restrictions are met in the same reporting period as support in net assets without donor restrictions. During 2019, there was a conditional contribution of $20,000 that was received whose conditions were not met at December 31, 2019 and is presented as a refundable advance on the Statements of Financial Position.

Adoption of New Accounting Standards

The Organization has adopted Accounting Standards Updated (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard results in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. ASU 2018-08 was issued to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in evaluating whether transactions should be accounted for a contributions within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange transactions subject to other guidance and determining whether a contribution is conditional, or unconditional. The ASU is effective for nonprofit organizations that are resource recipients for annual periods beginning after December 15, 2018, and is effective for nonprofit organizations that are resource providers for annual periods beginning after December 15, 2019, early adoption is permitted. Management has elected to early adopt the applicable provisions as of December 31, 2019, and the adoption is reflected in the accompanying financial statements.

New Accounting Pronouncements

In February of 2016, the FASB issued 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, 2020, 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 2021 and are currently evaluating the impact on the financial statements.

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, 2019, the Organization's mutual funds total $444,831 with $317,601 being held by others via the Columbus Foundation Endowment Fund (see Note 4).

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. Also, at December 31, 2019 and 2018, the Organization's investments contain $73,975 and $65,519, respectively, 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:

	2019	2018
Beginning balance	$ 264,572	$ 371,395
Investment income	13,497	23,379
Contribution	8,449	-
Net appreciation (depreciation)	38,427	(31,931)
Board authorized distribution	-	(90,000)
Grants paid	(6,289)	(6,972)
Fees	(1,055)	(1,299)
Ending balance	$ 317,601	$ 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:

	2019		2018	
Equipment	$	82,495	$	82,495
Furniture and fixtures		19,861		19,861
Leasehold improvements		35,085		35,085
		137,441		137,441
Less: accumulated depreciation		(113,547)		(95,302)
Total property and equipment	$	23,894	$	42,139

6. Net Assets With Donor Restrictions

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

	2019		2018	
Bostwick Scholarship Fund	$	59,004	$	50,862
Danter Scholarship Fund		14,971		14,657
	$	73,975	$	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, 2019 and 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 $134,382 and $311,671 for the year ended December 31, 2019 and 2018, respectively.

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 $89,514 and $75,058 for the year ended December 31, 2019 and 2018, respectively, in accordance with FASB ASC 958, *Not-for-Profit Entities.*

The aforementioned amounts are included as both a revenue and expense on the Statements 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 $72,910 and $72,382 in 2019 and 2018, respectively, and future minimum lease payments under the lease agreement total $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, 2019 and 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:

		2019		2018
Cash and cash equivalents	$	123,935	$	102,600
Investments		127,230		109,768
Accounts receivable		319		2,208
Endowment Fund		317,601		264,572
Total financial assets		569,085		479,148
Contractual or donor-imposed restrictions:				
Endowment Fund		(317,601)		(264,572)
Other donor restrictions		(73,975)		(65,519)
Financial assets available to meet cash needs for general expenditures within one year	$	177,509	$	149,057

12. Concentrations

The Organization obtained a signification portion of its revenue from one grant. For the year ended December 31, 2019 and 2018, the Organization derived approximately 21% and 19%, respectively, of its revenue from this grant.

13. Functional Expenses

The following are the functional expenses for the year ended December 31, 2019:

	Program Services	Supporting Services		
	Counseling	Management and general	Fundraising	Total
Personnel	$ 432,575	$ 40,141	$ 53,352	$ 526,068
In-kind	111,714	-	112,182	223,896
Occupancy	74,789	13,166	6,586	94,541
Program	57,013	-	-	57,013
Fundraising	-	-	46,048	46,048
Catering	3,030	-	37,451	40,481
Technology	20,218	2,334	2,987	25,539
Depreciation	15,325	1,460	1,460	18,245
Other	5,890	3,008	8,560	17,458
Supplies	3,027	5,170	9,140	17,337
Professional fees	2,346	11,842	2,720	16,908
Room rental	-	-	10,350	10,350
Advertising	764	586	1,901	3,251
Postage	14	497	305	816
Travel	380	150	232	762
	$ 727,085	$ 78,354	$ 293,274	$ 1,098,713

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
In-kind	107,175	-	279,554	386,729
Occupancy	75,972	10,245	6,632	92,849
Program	73,402	-	-	73,402
Fundraising	-	-	63,289	63,289
Catering	2,907	-	54,020	56,927
Professional fees	2,977	37,591	2,090	42,658
Technology	26,631	3,233	3,860	33,724
Depreciation	25,906	2,467	2,467	30,840
Other	5,829	7,363	14,535	27,727
Room Rental	-	-	14,699	14,699
Supplies	3,416	2,713	8,221	14,350
Advertising	1,893	-	3,459	5,352
Travel	332	1,273	702	2,307
Postage	25	540	-	565
	$ 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. There have been no changes in methodologies of allocating expenses from 2018 to 2019.

14. Subsequent Events

Subsequent events have been evaluated through March 19, 2020, the date the financial statements were available to be issued.