New Directions Career Center
Financial Statements
As of December 31, 2017 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, 2017, 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, 2017, 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 29, 2018

New Directions Career Center
Statement of Financial Position
December 31, 2017

Assets		
Current assets		
Cash and cash equivalents	$	123,979
Investments at fair value		87,562
Accounts receivable		1,270
Prepaids and other assets		13,051
Total current assets		225,862
Non-current assets		
Temporarily restricted investments at fair value		69,377
Beneficial interest in assets held by others		371,395
Property and equipment, net		72,979
Total non-current assets		513,751
Total assets	$	739,613
Liabilities and net assets		
Current liabilities		
Accounts payable	$	12,512
Total current liabilities		12,512
Net assets		
Unrestricted		657,724
Temporarily restricted		69,377
Total net assets		727,101
Total liabilities and net assets	$	739,613

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

New Directions Career Center
Statement of Activities
For the Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Program service	$ 231,641	$ -	$ 231,641
Grants	233,281	13,000	246,281
Fundraising	371,403	-	371,403
In-kind donations	451,891	-	451,891
Endowment Fund earnings	41,846	-	41,846
Investment income	3,086	5,982	9,068
Other income	765	-	765
Total support and revenue	1,333,913	18,982	1,352,895
Expenses			
Personnel	544,976	-	544,976
Program expenses	48,902	-	48,902
Supplies	19,016	-	19,016
Professional fees	22,886	-	22,886
Occupancy	107,960	-	107,960
Depreciation	26,967	-	26,967
Fundraising	43,080	-	43,080
Travel and entertainment	3,159	-	3,159
Advertising	12,964	-	12,964
Postage	382	-	382
Catering	48,976	-	48,976
Room rental	13,336	-	13,336
Technology	33,776	-	33,776
In-kind donations	451,891	-	451,891
Other	29,570	-	29,570
Net assets transferred from restrictions	(13,000)	13,000	-
Total expenses	1,394,841	13,000	1,407,841
Change in net assets	(60,928)	5,982	(54,946)
Net assets - beginning of year	718,652	63,395	782,047
Net assets - end of year	$ 657,724	$ 69,377	$ 727,101

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, 2017

Operating activities		
Change in net assets	$	(54,946)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		26,967
Change in endowment fund		(33,992)
Unrealized and capital gain investment income		(16,922)
Increase (decrease) in cash from changes in certain assets and liabilities:		
Accounts receivable		255
Prepaids and other assets		(7,952)
Accounts payable		(20,798)
Net cash used for operating activities		(107,388)
Investing activities		
Acquisition of property and equipment		(31,738)
Purchase of investments		(25,000)
Sale of investments		35,000
Net cash used for investing activities		(21,738)
Net change in cash and cash equivalents		(129,126)
Cash and cash equivalents at beginning of year		253,105
Cash and cash equivalents at end of year	$	123,979

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

1. Nature of Activities

Organization

New Directions Career Center (the Organization) strives to empower women in transition to achieve and maintain economic self-sufficiency. The organization achieves its mission by providing 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:

Unrestricted net assets
Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets
Net assets that are subject to donor-imposed stipulations that will be met by either the actions of the Organization and/or the passage of time.

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 Company 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 unrestricted or temporarily restricted support 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 2017, 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.

In August of 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard intends to make certain improvements to the current reporting requirements for not-for-profit entities. This standard sets forth changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidation, financial performance and cash flows. ASU 2016-14 is effective for the Organization for reporting periods beginning after December 15, 2017. Management anticipates adopting ASU 2016-14 in 2018 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, 2017, the Organization's mutual funds totaled $528,334, with $371,395 being held by others via the Columbus Foundation Endowment Fund (see Note 4). Also, at December 31, 2017, The Organization's investments contain $69,377 of mutual funds that are temporarily restricted (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 Trustees. Both principal and earnings of the Endowment Fund are unrestricted.

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 Fund for the year ended December 31:

	2017
Beginning balance	$ 337,403
Investment income	19,251
Net appreciation (depreciation)	22,595
Grants paid	(6,656)
Fees	(1,198)
Ending balance	$ 371,395

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:

		2017
Equipment	$	82,495
Furniture and fixtures		19,861
Leasehold improvements		35,085
		137,441
Less: accumulated depreciation		(64,462)
Total property and equipment	$	72,979

6. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31:

		2017
Bostwick Scholarship Fund	$	54,976
Danter Scholarship Fund		14,401
	$	69,377

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

The Organization has an unsecured revolving line of credit (LOC) with the Huntington National Bank, which it entered into during June of 2005, with a maximum borrowing limit of $50,000 and an initial maturity date of June 15, 2006. The LOC automatically renews each year for one-year periods using the same terms and conditions as the original agreement. The interest rate is at Prime and is charged monthly at the end of every month with any unpaid interest and principal being due at maturity. There was no outstanding balance on this line as of December 31, 2017.

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 $356,514 for the year ended December 31, 2017. The Organization also relies on individual volunteers who contribute teaching services that require a specialized skill in accordance with FASB ASC 958, *Not-for-Profit Entities*. Management has estimated the value of these services to be approximately $95,377 for the year ended December 31, 2017.

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 Company entered into a non-cancellable operating lease agreement for office space in Columbus, Ohio during August of 2015. This agreement was set to expire August of 2018. Rent expense related to this lease agreement totaled $69,740 and future minimum lease payments under the lease agreement totaled $46,493. See Note 12 for more information.

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, 2017, 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. Functional Expenses

The following are the functional expenses for the year ended December 31, 2017:

	Program Services	Supporting Services		
	Counseling	Management and general	Fundraising	Total
Personnel	$ 478,230	$ 39,938	$ 26,808	$ 544,976
Program expenses	48,902	-	-	48,902
Supplies	16,306	1,189	1,521	19,016
Professional fees	8,531	12,524	1,831	22,886
Occupancy	88,525	10,798	8,637	107,960
Depreciation	22,075	2,735	2,157	26,967
Fundraising	-	-	43,080	43,080
Travel and entmt	2,637	269	253	3,159
Advertising	11,223	704	1,037	12,964
Postage	-	382	-	382
Catering	32,840	7,236	8,900	48,976
Room Rental	-	-	13,336	13,336
Technology	27,696	3,378	2,702	33,776
In-kind	451,891	-	-	451,891
Other	21,945	5,260	2,365	29,570
	$ 1,210,801	$ 84,413	$ 112,627	$ 1,407,841

12. Subsequent Events

During February of 2018, the Organization extended its lease agreement in Columbus, Ohio through August of 2020. The extended noncancelable lease requires monthly payments of $6,340

The future minimum lease payments under the extended noncancelable lease agreement total $31,700 during 2018, $76,080 during 2019 and $44,380 during 2020.

Subsequent events have been evaluated through March 29, 2018, the date the financial statements were available to be issued.