

**FINANCIAL STATEMENTS**



**New Endeavors  
by Women**

**FOR THE YEARS ENDED  
JUNE 30, 2018 AND 2017**

**NEW ENDEAVORS BY WOMEN**

**CONTENTS**

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of June 30, 2018 and 2017	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2018 and 2017	5 - 6
EXHIBIT C - Statements of Cash Flows, for the Years Ended June 30, 2018 and 2017	7
NOTES TO FINANCIAL STATEMENTS	8 - 14
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Functional Expenses, for the Year Ended June 30, 2018, with Summarized Financial Information for 2017	15 - 16



### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
New Endeavors by Women  
Washington, D.C.

We have audited the accompanying financial statements of New Endeavors by Women (NEW), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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, as of June 30, 2018 and 2017, 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.

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on pages 15 - 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2019 on our consideration of NEW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NEW's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

January 29, 2019

**NEW ENDEAVORS BY WOMEN**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2018 AND 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 279,466	\$ 225,430
Investments	400,156	-
Grants receivable	422,552	354,411
Contributions receivable	42,620	62,620
Prepaid expenses	<u>3,472</u>	<u>1,156</u>
Total current assets	<u>1,148,266</u>	<u>643,617</u>
<b>FIXED ASSETS</b>		
Land	233,472	386,598
Buildings	544,768	902,062
Equipment	90,721	90,721
Building improvements	<u>40,000</u>	<u>6,900</u>
	908,961	1,386,281
Less: Accumulated depreciation and amortization	<u>(122,412)</u>	<u>(109,495)</u>
Net fixed assets	<u>786,549</u>	<u>1,276,786</u>
<b>OTHER ASSETS</b>		
Deposits	<u>21,346</u>	<u>20,746</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,956,161</u></b>	<b><u>\$ 1,941,149</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 8,988	\$ 18,139
Accrued salaries and related benefits	93,535	89,004
Funds held for residents	<u>50,185</u>	<u>42,967</u>
Total current liabilities	<u>152,708</u>	<u>150,110</u>
<b>NET ASSETS</b>		
Unrestricted	1,720,514	1,686,392
Temporarily restricted	<u>82,939</u>	<u>104,647</u>
Total net assets	<u>1,803,453</u>	<u>1,791,039</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,956,161</u></b>	<b><u>\$ 1,941,149</u></b>

**NEW ENDEAVORS BY WOMEN**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Contributions	\$ 296,157	\$ 16,000	\$ 312,157
Federal and non-Federal grants	1,846,909	-	1,846,909
Investment income	341	-	341
Contributed rent and services	521,463	-	521,463
Rental income	38,721	-	38,721
Special events	86,898	-	86,898
Net assets released from donor restrictions	<u>37,708</u>	<u>(37,708)</u>	<u>-</u>
Total revenue	<u>2,828,197</u>	<u>(21,708)</u>	<u>2,806,489</u>
<b>EXPENSES</b>			
Program Services	<u>2,030,898</u>	<u>-</u>	<u>2,030,898</u>
Supporting Services:			
General and Administrative	754,370	-	754,370
Fundraising	<u>141,658</u>	<u>-</u>	<u>141,658</u>
Total supporting services	<u>896,028</u>	<u>-</u>	<u>896,028</u>
Total expenses	<u>2,926,926</u>	<u>-</u>	<u>2,926,926</u>
Changes in net assets before other item	<u>(98,729)</u>	<u>(21,708)</u>	<u>(120,437)</u>
<b>OTHER ITEM</b>			
Gain on sale of fixed assets	<u>132,851</u>	<u>-</u>	<u>132,851</u>
Changes in net assets	34,122	(21,708)	12,414
Net assets at beginning of year	<u>1,686,392</u>	<u>104,647</u>	<u>1,791,039</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,720,514</u></b>	<b><u>\$ 82,939</u></b>	<b><u>\$ 1,803,453</u></b>

<b>2017</b>		
<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
\$ 240,954	\$ 87,500	\$ 328,454
1,740,075	-	1,740,075
198	-	198
140,187	-	140,187
61,249	-	61,249
94,400	-	94,400
<u>168,664</u>	<u>(168,664)</u>	<u>-</u>
<u>2,445,727</u>	<u>(81,164)</u>	<u>2,364,563</u>
<u>1,962,953</u>	<u>-</u>	<u>1,962,953</u>
338,217	-	338,217
<u>114,408</u>	<u>-</u>	<u>114,408</u>
<u>452,625</u>	<u>-</u>	<u>452,625</u>
<u>2,415,578</u>	<u>-</u>	<u>2,415,578</u>
<u>30,149</u>	<u>(81,164)</u>	<u>(51,015)</u>
<u>-</u>	<u>-</u>	<u>-</u>
30,149	(81,164)	(51,015)
<u>1,656,243</u>	<u>185,811</u>	<u>1,842,054</u>
<b><u>\$ 1,686,392</u></b>	<b><u>\$ 104,647</u></b>	<b><u>\$ 1,791,039</u></b>

See accompanying notes to financial statements.

**NEW ENDEAVORS BY WOMEN**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 12,414	\$ (51,015)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	26,488	33,926
Unrealized gain	(146)	-
Gain on sale of fixed assets	(132,851)	-
(Increase) decrease in:		
Grants receivable	(68,141)	(42,184)
Contributions receivable	20,000	(45,070)
Prepaid expenses	(2,316)	11,832
Deposits	(600)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	(9,151)	11,722
Accrued salaries and related benefits	4,531	15,689
Refundable advance	-	(58,902)
Funds held for residents	<u>7,218</u>	<u>17,814</u>
Net cash used by operating activities	<u>(142,554)</u>	<u>(106,188)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(40,000)	-
Proceeds from sale of fixed assets	636,600	-
Purchase of investments	(400,010)	(20)
Proceeds from sale of investments	<u>-</u>	<u>50,740</u>
Net cash provided by investing activities	<u>196,590</u>	<u>50,720</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on line of credit	170,000	-
Payments on line of credit	<u>(170,000)</u>	<u>-</u>
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	54,036	(55,468)
Cash and cash equivalents at beginning of year	<u>225,430</u>	<u>280,898</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 279,466</u></b>	<b><u>\$ 225,430</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	<b><u>\$ 3,433</u></b>	<b><u>\$ -</u></b>



## NEW ENDEAVORS BY WOMEN

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

New Endeavors by Women (NEW) is a non-profit organization, incorporated in the District of Columbia. The purpose of NEW is to provide housing to homeless women and comprehensive care to assist these women in their efforts to move into independent living. These activities are funded primarily through Federal and non-Federal contract awards as well as public contributions from private foundations, corporations and individuals.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

##### Cash and cash equivalents -

NEW considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, NEW maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Statements of Activities and Changes in Net Assets.

##### Grants and contributions receivable -

Grants and contributions receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years (40 years for buildings). Building improvements are amortized over the life of the building. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended June 30, 2018 and 2017 totaled \$26,488 and \$33,926, respectively.

##### Income taxes -

NEW is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. NEW is not a private foundation.

##### Uncertain tax positions -

For the years ended June 30, 2018 and 2017, NEW has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

## NEW ENDEAVORS BY WOMEN

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Funds held for residents -

As part of its comprehensive care and money management training, NEW requires residents who have obtained employment to deposit a portion of their earnings in a bank account maintained by NEW. Such funds are remitted to the resident upon the individual's departure from NEW's programs. As of June 30, 2018 and 2017, funds collected and maintained on behalf of NEW's residents totaled \$50,185 and \$42,967, respectively, and are reflected as funds held for residents in the accompanying Statements of Financial Position.

##### Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of NEW and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of NEW and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

##### Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

NEW receives funding under grants from the U.S. Government and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as a refundable advance.

##### Contributed rent and services -

Contributed rent and services consists of contributed rent, furniture, as well as buildings and land as further discussed in Note 5. Contributed rent and services are recorded at their fair market value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to NEW; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

## NEW ENDEAVORS BY WOMEN

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Use of estimates -

The preparation of the 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Risks and uncertainties -

NEW invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

##### Fair value measurement -

NEW adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. NEW accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

##### New accounting pronouncements not yet adopted -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of NEW's financial statements, it is not expected to alter NEW's reported financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance.

## NEW ENDEAVORS BY WOMEN

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements not yet adopted (continued) -

The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. NEW has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. NEW has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

NEW plans to adopt the new ASUs at the respective required implementation dates.

#### 2. INVESTMENTS

Investments consisted of the following at June 30, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
	<b>Fair Value</b>	<b>Fair Value</b>
Money market	\$ 253,165	\$ -
Fixed income	50,004	-
Mutual funds	96,987	-
<b>TOTAL INVESTMENTS</b>	<b>\$ 400,156</b>	<b>\$ -</b>

Included in investment income are the following:

	<b>2018</b>	<b>2017</b>
Interest and dividends	\$ 195	\$ 198
Unrealized gain	146	-
<b>TOTAL INVESTMENT INCOME</b>	<b>\$ 341</b>	<b>\$ 198</b>

**NEW ENDEAVORS BY WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**3. LINE OF CREDIT**

In June 2016, NEW opened a line of credit with Industrial Bank totaling \$200,000. As of June 30, 2018 and 2017, NEW did not carry a balance on the line of credit. Interest expense on the line of credit for the years ended June 30, 2018 and 2017 totaled \$3,433 and \$1,016, respectively.

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 64,754	\$ 86,462
Recoverable Grant	<u>18,185</u>	<u>18,185</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>\$ 82,939</u></b>	<b><u>\$ 104,647</u></b>

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2018</u>	<u>2017</u>
<b>Program Services</b>	<b><u>\$ 37,708</u></b>	<b><u>\$ 168,664</u></b>

**5. CONTRIBUTED RENT AND SERVICES**

Beginning September 2012, the Government of the District of Columbia began a project to demolish the building that NEW had previously occupied, and construct in its place a larger building, the use of which was to be donated to NEW. NEW moved into the completed building in March 2014, and the estimated value of the contributed rent for the years ended June 30, 2018 and 2017 totaled \$521,463 and \$140,187, respectively. There is no formal agreement detailing the length of the current lease. With the use of the newly constructed building, NEW received various furniture and furnishings, which were not recognized because a fair value could not be determined.

In November 2015, NEW was the beneficiary of two buildings in Washington, D.C., which were donated by another non-profit. The buildings and land were valued based on the assessed property value by Washington, D.C. at the time of the contribution.

**6. LEASE COMMITMENTS**

NEW leases multiple apartments throughout the Washington, D.C. area to carry out programmatic objectives. Rent expense for these apartments for the years ended June 30, 2018 and 2017 totaled \$611,623 and \$515,337, respectively, and is included in Occupancy on the accompanying Supplemental Schedule of Functional Expenses.

Due to the nature of NEW's business, all leases are currently under a month-to-month basis. There are no future minimum lease payments at year-end June 30, 2018.

## NEW ENDEAVORS BY WOMEN

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

#### 7. CONCENTRATION OF REVENUE

Approximately 76% and 78% of NEW's revenue (excluding contributed rent and services and donated land and buildings) for the years ended June 30, 2018 and 2017, respectively, was derived from Federal and non-Federal grants awarded by one grantor. NEW has no reason to believe that relationships with this grantor will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect NEW's ability to finance ongoing operations.

#### 8. CONTINGENCY

NEW receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2018. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

#### 9. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, NEW has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market NEW has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2018 and 2017.

- *Money market funds* - Valued at the daily closing price as reported by the fund. The money market fund is an open-end funds that are registered with the Securities and Exchange Commission (SEC). This fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be actively traded.

**NEW ENDEAVORS BY WOMEN**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**9. FAIR VALUE MEASUREMENT (Continued)**

- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by NEW are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by NEW are deemed to be actively traded.
- *Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy, NEW's investments as of June 30, 2018:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total June 30, 2018</b>
<b>Asset Class:</b>				
Money market funds	\$ 253,165	\$ -	\$ -	\$ 253,165
Fixed income	-	50,004	-	50,004
Mutual funds	96,987	-	-	96,987
<b>TOTAL</b>	<b>\$ 350,152</b>	<b>\$ 50,004</b>	<b>\$ -</b>	<b>\$ 400,156</b>

The table below summarizes, by level within the fair value hierarchy, NEW's investments as of June 30, 2017:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total June 30, 2017</b>
<b>Asset Class:</b>				
Money market funds	\$ -	\$ -	\$ -	\$ -
Fixed income	-	-	-	-
Mutual funds	-	-	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**10. SUBSEQUENT EVENTS**

In preparing these financial statements, NEW has evaluated events and transactions for potential recognition or disclosure through January 29, 2019, the date the financial statements were issued.

## **SUPPLEMENTAL INFORMATION**



**NEW ENDEAVORS BY WOMEN**

**SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

2018

**Program Services**

	<b>New Hope</b>	<b>New Horizons</b>	<b>New Journeys</b>	<b>New Transitions</b>	<b>New Generations</b>	<b>New Journeys II</b>
Salaries and related benefits	\$ 140,356	\$ 148,984	\$ 78,359	\$ 490,772	\$ 34,560	\$ 89,975
Occupancy	82,807	345,660	-	-	42,778	138,277
Professional fees	5,960	1,163	84	575	-	280
Insurance	8,773	10,223	2,742	9,870	1,761	7,012
Client costs	295	6,842	12,309	19,482	1,241	10,479
Communication	4,930	3,776	-	20,189	2,969	4,400
Office and household supplies	1,181	2,911	1,777	18,749	466	1,087
Repairs and maintenance	60	11,363	4,420	23,800	3,996	600
Travel and transportation	-	700	161	1,548	26	-
In-kind	-	-	-	-	-	-
Other	-	5	-	757	-	-
Staff expense	44	121	-	1,550	-	22
Depreciation	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 244,406</b>	<b>\$ 531,748</b>	<b>\$ 99,852</b>	<b>\$ 587,292</b>	<b>\$ 87,797</b>	<b>\$ 252,132</b>

							2017
Supporting Services							
Rachel's House	Shelter Plus Care	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
\$ 58,802	\$ 54,590	\$ 1,096,398	\$ 106,430	\$ 77,299	\$ 183,729	\$ 1,280,127	\$ 1,239,973
42,706	2,811	655,039	3,085	-	3,085	658,124	560,344
-	-	8,062	45,574	19,850	65,424	73,486	75,413
4,387	4,387	49,155	5,094	2,717	7,811	56,966	51,251
5,086	-	55,734	6,853	85	6,938	62,672	65,554
7,279	-	43,543	5,562	10,791	16,353	59,896	52,528
5,891	-	32,062	6,042	(34)	6,008	38,070	33,183
38,350	1,187	83,776	2,600	-	2,600	86,376	114,424
112	182	2,729	725	201	926	3,655	2,821
-	-	-	521,463	-	521,463	521,463	140,187
1,625	-	2,387	20,166	28,345	48,511	50,898	36,688
108	168	2,013	4,288	2,404	6,692	8,705	9,286
-	-	-	26,488	-	26,488	26,488	33,926
<b>\$ 164,346</b>	<b>\$ 63,325</b>	<b>\$ 2,030,898</b>	<b>\$ 754,370</b>	<b>\$ 141,658</b>	<b>\$ 896,028</b>	<b>\$ 2,926,926</b>	<b>\$ 2,415,578</b>