

FINANCIAL STATEMENTS



**New Endeavors
by Women**

**FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020**

NEW ENDEAVORS BY WOMEN

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of June 30, 2021 and 2020	4
EXHIBIT B - Statement of Activities and Changes in Net Assets, for the Year Ended June 30, 2021	5
EXHIBIT C - Statement of Activities and Changes in Net Assets, for the Year Ended June 30, 2020	6
EXHIBIT D - Statement of Functional Expenses, for the Year Ended June 30, 2021	7
EXHIBIT E - Statement of Functional Expenses, for the Year Ended June 30, 2020	8
EXHIBIT F - Statements of Cash Flows, for the Years Ended June 30, 2021 and 2020	9
NOTES TO FINANCIAL STATEMENTS	10 - 17



CPAs & ADVISORS

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, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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, 2021 and 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 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.



November 10, 2021

NEW ENDEAVORS BY WOMEN
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 415,202	\$ 384,556
Investments	426,765	356,539
Grants receivable	440,141	424,868
Prepaid expenses	<u>401</u>	<u>1,367</u>
Total current assets	<u>1,282,509</u>	<u>1,167,330</u>
FIXED ASSETS		
Land	233,472	233,472
Buildings	544,768	544,768
Equipment	134,411	134,411
Building improvements	<u>193,173</u>	<u>179,421</u>
	1,105,824	1,092,072
Less: Accumulated depreciation and amortization	<u>(206,619)</u>	<u>(172,892)</u>
Net fixed assets	<u>899,205</u>	<u>919,180</u>
OTHER ASSETS		
Deposits	<u>36,281</u>	<u>22,903</u>
TOTAL ASSETS	<u>\$ 2,217,995</u>	<u>\$ 2,109,413</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Line of credit	\$ 100,000	\$ -
Loan payable	48,006	74,371
Accounts payable and accrued liabilities	32,006	45,288
Accrued salaries and related benefits	118,769	107,123
Funds held for residents	<u>56,071</u>	<u>59,847</u>
Total current liabilities	<u>354,852</u>	<u>286,629</u>
LONG-TERM LIABILITIES		
Loan payable, net of current portion	<u>76,994</u>	<u>119,279</u>
Total liabilities	<u>431,846</u>	<u>405,908</u>
NET ASSETS		
Without donor restrictions	1,776,149	1,683,505
With donor restrictions	<u>10,000</u>	<u>20,000</u>
Total net assets	<u>1,786,149</u>	<u>1,703,505</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,217,995</u>	<u>\$ 2,109,413</u>

See accompanying notes to financial statements.

NEW ENDEAVORS BY WOMEN

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions	\$ 291,178	\$ 10,000	\$ 301,178
Federal and non-Federal grants	2,244,920	-	2,244,920
Investment income, net	66,113	-	66,113
Contributed rent and services	521,463	-	521,463
Rental income	48,678	-	48,678
Special events	73,192	-	73,192
Net assets released from donor restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Total revenue	<u>3,265,544</u>	<u>(10,000)</u>	<u>3,255,544</u>
EXPENSES			
Program Services	<u>2,356,175</u>	<u>-</u>	<u>2,356,175</u>
Supporting Services:			
General and Administrative	820,689	-	820,689
Fundraising	<u>189,686</u>	<u>-</u>	<u>189,686</u>
Total supporting services	<u>1,010,375</u>	<u>-</u>	<u>1,010,375</u>
Total expenses	<u>3,366,550</u>	<u>-</u>	<u>3,366,550</u>
Changes in net assets before other item	(101,006)	(10,000)	(111,006)
OTHER ITEM			
Gain on extinguishment of debt	<u>193,650</u>	<u>-</u>	<u>193,650</u>
Changes in net assets	92,644	(10,000)	82,644
Net assets at beginning of year	<u>1,683,505</u>	<u>20,000</u>	<u>1,703,505</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,776,149</u>	<u>\$ 10,000</u>	<u>\$ 1,786,149</u>

NEW ENDEAVORS BY WOMEN

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions	\$ 245,010	\$ 20,000	\$ 265,010
Federal and non-Federal grants	2,069,573	-	2,069,573
Investment income, net	16,840	-	16,840
Contributed rent and services	521,463	-	521,463
Rental income	47,008	-	47,008
Special events	121,660	-	121,660
Net assets released from donor restrictions	<u>3,214</u>	<u>(3,214)</u>	<u>-</u>
Total revenue	<u>3,024,768</u>	<u>16,786</u>	<u>3,041,554</u>
EXPENSES			
Program Services	<u>2,236,103</u>	<u>-</u>	<u>2,236,103</u>
Supporting Services:			
General and Administrative	754,216	-	754,216
Fundraising	<u>165,839</u>	<u>-</u>	<u>165,839</u>
Total supporting services	<u>920,055</u>	<u>-</u>	<u>920,055</u>
Total expenses	<u>3,156,158</u>	<u>-</u>	<u>3,156,158</u>
Changes in net assets before other item	(131,390)	16,786	(114,604)
OTHER ITEM			
Gain on extinguishment of debt	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	(131,390)	16,786	(114,604)
Net assets at beginning of year	<u>1,814,895</u>	<u>3,214</u>	<u>1,818,109</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,683,505</u>	<u>\$ 20,000</u>	<u>\$ 1,703,505</u>

NEW ENDEAVORS BY WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services							Supporting Services				
	New Hope	New Horizons	New Journeys	New Transitions	New Journeys II	Rachel's House	Shelter Plus Care	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries and related benefits	\$ 149,804	\$ 141,950	\$ 51,497	\$ 624,963	\$ 135,219	\$ 60,652	\$ 61,150	\$ 1,225,235	\$ 171,980	\$ 115,471	\$ 287,451	\$ 1,512,686
Occupancy	98,861	385,318	-	-	210,748	52,033	2,980	749,940	-	-	-	749,940
Professional fees	-	-	3,730	20,094	4,560	2,745	-	31,129	43,769	48,183	91,952	123,081
Insurance	8,778	8,778	2,711	9,875	8,810	4,389	4,389	47,730	8,070	2,743	10,813	58,543
Client costs	-	6,172	11,807	32,733	4,148	16,924	-	71,784	166	-	166	71,950
Communication	2,976	3,627	1,795	23,600	9,715	7,923	134	49,770	12,704	1,930	14,634	64,404
Office and household supplies	99	7,299	5,755	42,380	1,983	3,118	113	60,747	1,483	1,327	2,810	63,557
Repairs and maintenance	8,800	21,376	5,851	47,605	3,226	22,550	-	109,408	5,927	-	5,927	115,335
Travel and transportation	-	78	-	184	113	-	-	375	51	-	51	426
In-kind	-	-	-	-	-	-	-	-	521,463	-	521,463	521,463
Other	-	87	14	484	150	294	63	1,092	12,368	17,886	30,254	31,346
Staff expense	209	239	118	7,137	975	183	104	8,965	8,981	2,146	11,127	20,092
Depreciation and amortization	-	-	-	-	-	-	-	-	33,727	-	33,727	33,727
TOTAL	\$ 269,527	\$ 574,924	\$ 83,278	\$ 809,055	\$ 379,647	\$ 170,811	\$ 68,933	\$ 2,356,175	\$ 820,689	\$ 189,686	\$ 1,010,375	\$ 3,366,550

See accompanying notes to financial statements.

NEW ENDEAVORS BY WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services							Supporting Services				Total Expenses
	New Hope	New Horizons	New Journeys	New Transitions	New Journeys II	Rachel's House	Shelter Plus Care	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and related benefits	\$ 147,371	\$ 141,097	\$ 53,959	\$ 572,499	\$ 129,738	\$ 61,195	\$ 54,981	\$ 1,160,840	\$ 151,146	\$ 77,824	\$ 228,970	\$ 1,389,810
Occupancy	98,703	379,063	-	-	212,003	49,704	1,407	740,880	-	-	-	740,880
Professional fees	820	-	400	6,931	4,000	550	300	13,001	38,528	21,251	59,779	72,780
Insurance	7,194	7,194	2,248	8,328	7,194	3,597	3,597	39,352	5,083	2,248	7,331	46,683
Client costs	3,710	18,573	14,323	33,227	6,671	2,230	-	78,734	209	-	209	78,943
Communication	3,140	3,181	1,648	22,674	5,208	5,623	57	41,531	2,012	2,845	4,857	46,388
Office and household supplies	907	4,591	3,918	40,389	3,437	1,933	-	55,175	5,351	1,069	6,420	61,595
Repairs and maintenance	1,283	12,706	5,110	27,673	1,840	11,078	-	59,690	399	-	399	60,089
Travel and transportation	-	746	43	1,164	1,553	-	128	3,634	441	1,207	1,648	5,282
In-kind	-	-	-	-	-	-	-	-	521,463	-	521,463	521,463
Other	-	12	-	177	204	253	-	646	15,848	57,321	73,169	73,815
Staff expense	20	71	99	11,792	368	40	27	12,417	13,706	2,074	15,780	28,197
Bad debt expense	-	-	-	-	-	-	-	-	30	-	30	30
Depreciation and amortization	-	10,922	-	-	-	19,281	-	30,203	-	-	-	30,203
TOTAL	\$ 263,148	\$ 578,156	\$ 81,748	\$ 724,854	\$ 372,216	\$ 155,484	\$ 60,497	\$ 2,236,103	\$ 754,216	\$ 165,839	\$ 920,055	\$ 3,156,158

See accompanying notes to financial statements.

NEW ENDEAVORS BY WOMEN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 82,644	\$ (114,604)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	33,727	30,203
Unrealized gain	(53,833)	(2,022)
Realized gain	(5,428)	(3,947)
Gain on extinguishment of debt	(193,650)	-
(Increase) decrease in:		
Grants receivable	(15,273)	(163,126)
Contributions receivable	-	7,620
Prepaid expenses	966	(811)
Deposits	(13,378)	(1,557)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(13,282)	30,311
Accrued salaries and related benefits	11,646	21,137
Funds held for residents	(3,776)	5,423
Net cash used by operating activities	<u>(169,637)</u>	<u>(191,373)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(13,752)	(114,221)
Purchase of investments	(42,274)	(103,366)
Proceeds from sale of investments	<u>31,309</u>	<u>177,099</u>
Net cash used by investing activities	<u>(24,717)</u>	<u>(40,488)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	100,000	-
Proceeds from loan payable	<u>125,000</u>	<u>193,650</u>
Net cash provided by financing activities	<u>225,000</u>	<u>193,650</u>
Net increase (decrease) in cash and cash equivalents	30,646	(38,211)
Cash and cash equivalents at beginning of year	<u>384,556</u>	<u>422,767</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 415,202	\$ 384,556
SUPPLEMENTAL INFORMATION:		
Interest Paid	\$ 956	\$ -

NEW ENDEAVORS BY WOMEN

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncements adopted -

During 2021, NEW adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way NEW recognized revenue; however, the presentation and disclosures of revenue have been enhanced. NEW has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

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.

NEW ENDEAVORS BY WOMEN

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Statement of Activities and Changes in Net Assets.

Grants receivable -

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

Fixed assets -

Fixed assets in excess of \$5,000 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, 2021 and 2020 totaled \$33,727 and \$30,203, respectively.

Income taxes -

NEW is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NEW is not a private foundation.

Uncertain tax positions -

For the years ended June 30, 2021 and 2020, 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.

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, 2021 and 2020, funds collected and maintained on behalf of NEW's residents totaled \$56,071 and \$59,847, respectively, and are reflected as funds held for residents in the accompanying Statements of Financial Position.

Contributions and grants -

The majority of NEW's revenue is received through contributions as well as grants from the U.S. Government and other non-Federal entities. Contributions and grants are recognized in the appropriate category of net assets in the period received.

NEW ENDEAVORS BY WOMEN

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

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

Contributions and grants (continued) -

NEW performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" 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 net assets with donor restrictions in the accompanying financial statements.

Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, NEW recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, NEW had approximately \$807,000 and \$740,000 in unrecognized conditional awards as of June 30, 2021 and 2020, respectively.

Special events -

Special events revenue consists of registration and sponsorship revenue which is recognized at the time the event takes place.

Contributed rent and services -

Contributed rent and services consists of contributed rent, furniture, as well as buildings and land as further discussed in Note 7. 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.

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.

NEW ENDEAVORS BY WOMEN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of NEW are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact NEW's operations. The overall potential impact is unknown at this time.

2. INVESTMENTS

Investments consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Mutual Funds	\$ <u>426,765</u>	\$ <u>356,539</u>

NEW ENDEAVORS BY WOMEN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

2. INVESTMENTS (Continued)

Included in investment income are the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 9,473	\$ 16,090
Unrealized gain	53,833	2,022
Realized gain	5,428	3,947
Management fees	<u>(2,621)</u>	<u>(5,219)</u>
TOTAL INVESTMENT INCOME, NET	\$ <u>66,113</u>	\$ <u>16,840</u>

3. LOAN PAYABLE

On May 11, 2020, NEW received loan proceeds in the amount of \$193,650 under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. In April 2021, this loan was forgiven in its entirety, both interest and principle. This amount is recorded as "Gain on extinguishment of debt," which is an Other Item on the Statement of Activities and Changes in Net Assets.

In March 2021, NEW received loan proceeds in the amount of \$125,000 under the Paycheck Protection Program 2. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first ten months after the last day of the covered period. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. NEW intends to use the proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

Principal payments as stated in the promissory note are due as follows unless otherwise forgiven:

Year Ending June 30,

2022	\$ 48,006
2023	<u>76,994</u>
	\$ <u>125,000</u>

4. LINE OF CREDIT

In June 2016, NEW opened a line of credit with Industrial Bank totaling \$200,000. As of June 30, 2021 and 2020, NEW carried a balance of \$100,000 and \$0, respectively. Interest expense on the line of credit for the years ended June 30, 2021 and 2020 totaled \$956 and \$0, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Program Services	\$ <u>10,000</u>	\$ <u>20,000</u>

NEW ENDEAVORS BY WOMEN

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	<u>2021</u>	<u>2020</u>
Purpose Restrictions Accomplished	\$ <u>20,000</u>	\$ <u>3,214</u>

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 415,202	\$ 384,556
Investments	426,765	356,539
Grants receivable	<u>440,141</u>	<u>424,868</u>
Subtotal financial assets available within one year	1,282,108	1,165,963
Less: Donor restricted funds	<u>(10,000)</u>	<u>(20,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>1,272,108</u>	\$ <u>1,145,963</u>

NEW has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2021 and 2020, NEW has financial assets equal to approximately five months operating expenses. In addition, NEW has a line of credit agreement (as further discussed in Note 4) which allows for additional available borrowings up to \$200,000.

7. 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, 2021 and 2020 totaled \$521,463 in both periods. 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.

8. LEASE COMMITMENTS

NEW leases multiple apartments throughout the Washington, D.C. area to carry out programmatic objectives.

NEW ENDEAVORS BY WOMEN

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

8. LEASE COMMITMENTS (Continued)

Rent expense for these apartments for the years ended June 30, 2021 and 2020 totaled \$688,871 and \$685,661, respectively, and is included in Occupancy on the accompanying Statements 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, 2021.

9. CONCENTRATION OF REVENUE

Approximately 38% and 41% of NEW's revenue (excluding contributed rent and services and donated land and buildings) for the years ended June 30, 2021 and 2020, respectively, was derived from grants awarded by one federal granting agency. 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.

10. CONTINGENCY

NEW receives grants from 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 2021. 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.

11. 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.

NEW ENDEAVORS BY WOMEN

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

11. FAIR VALUE MEASUREMENT (Continued)

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, 2021 and 2020.

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.

The table below summarizes, by level within the fair value hierarchy, NEW's investments as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Mutual Funds	\$ <u>426,765</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>426,765</u>

The table below summarizes, by level within the fair value hierarchy, NEW's investments as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Mutual Funds	\$ <u>356,539</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>356,539</u>

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2021 and 2020.

12. SUBSEQUENT EVENTS

In preparing these financial statements, NEW has evaluated events and transactions for potential recognition or disclosure through November 10, 2021, the date the financial statements were issued.

On August 28, 2020, NEW entered into a purchase agreement to acquire a new property to be used for programmatic purposes. The purchase price of this property is \$500,000. As of November 10, 2021, closing on this property has not yet occurred, but is planned for the Spring of 2022.