



*NONTRADITIONAL EMPLOYMENT FOR WOMEN  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015*

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# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR THE YEARS ENDED JUNE 30, 2016 AND 2015 TABLE OF CONTENTS

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Independent Auditors' Report.....	1
<b>Financial Statements</b>	
Statements of Financial Position.....	2
Statement of Activities for the Year Ended June 30, 2016.....	3
Statement of Activities for the Year Ended June 30, 2015.....	4
Statement of Functional Expenses for the Year Ended June 30, 2016 .....	5
Statement of Functional Expenses for the Year Ended June 30, 2015 .....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Nontraditional Employment for Women  
243 West 20th Street  
New York, New York 10011

We have audited the accompanying financial statements of Nontraditional Employment for Women (a not-for-profit corporation, "NEW"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, 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.

### *Auditors' 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 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 auditors' 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 NEW'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 NEW'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, 2016 and 2015, 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.

*Cerini & Associates LLP*

January 5, 2017  
Bohemia, New York

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**NONTRADITIONAL EMPLOYMENT FOR WOMEN**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

**2016**

**2015**

**ASSETS**

**Current Assets:**

Cash and cash equivalents (Notes 6 and 8)		2016	2015
Undesignated.....	\$ 206,518		\$ 252,629
Board designated.....	314,164		222,964
Total cash and cash equivalents.....	520,682		475,593
Grants receivable, net of allowance for doubtful accounts.....	428,690		186,955
Contributions receivable, net of allowance for doubtful accounts.....	159,556		92,316
Prepaid expenses and other current assets.....	18,875		17,681
<b>TOTAL CURRENT ASSETS</b>	1,127,803		772,545
Security deposits.....	30,707		29,640
Property and equipment, net of accumulated depreciation and amortization (Notes 3 and 4).....	326,711		317,324
<b>TOTAL ASSETS</b>	\$ 1,485,221		\$ 1,119,509

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses.....	\$ 142,893	2016	2015
Accrued payroll.....	136,254		117,809
Current portion of capital lease obligation (Note 4).....	19,516		17,647
Deferred income.....	-		6,299
<b>TOTAL CURRENT LIABILITIES</b>	298,663		243,903
Deferred rent (Note 5).....	520,375		558,678
Long-term capital lease obligations (Note 4).....	57,670		-
<b>TOTAL LIABILITIES</b>	876,708		802,581

Commitments and contingencies (Notes 4, 5, 6, 8, and 9)

**Net Assets:**

Unrestricted:

Board designated (Note 6).....	314,164	2016	2015
Undesignated for property and equipment, net of debt (Notes 3 and 4).....	249,525		299,677
Undesignated for other.....	16,540		(233,997)
Total unrestricted net assets.....	580,229		288,644
Temporarily restricted (Note 6).....	28,284		28,284

**TOTAL NET ASSETS** 608,513 316,928

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,485,221 \$ 1,119,509

**NONTRADITIONAL EMPLOYMENT FOR WOMEN**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE (Note 8):</b>			
Contributions.....	\$ 1,297,546	\$ -	\$ 1,297,546
Government grants and contracts.....	778,163	-	778,163
Special events, net of direct expenses of \$112,003 (Note 7).....	742,927	-	742,927
Interest and other income.....	14,584	-	14,584
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,833,220</b>	<b>-</b>	<b>2,833,220</b>
<b>EXPENSES:</b>			
Program services.....	1,892,749	-	1,892,749
Management and general.....	387,307	-	387,307
Fundraising.....	261,579	-	261,579
<b>TOTAL EXPENSES</b>	<b>2,541,635</b>	<b>-</b>	<b>2,541,635</b>
<b>CHANGE IN NET ASSETS</b>	<b>291,585</b>	<b>-</b>	<b>291,585</b>
Net assets, beginning of year.....	288,644	28,284	316,928
Net assets, end of year.....	\$ 580,229	\$ 28,284	\$ 608,513

## NONTRADITIONAL EMPLOYMENT FOR WOMEN

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE (Note 8):</b>			
Contributions.....	\$ 1,244,463	\$ -	\$ 1,244,463
Government grants and contracts.....	720,392	-	720,392
Special events, net of direct expenses of \$104,620 (Note 7).....	646,398	-	646,398
Interest and other income.....	5,912	-	5,912
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,617,165</b>	<b>-</b>	<b>2,617,165</b>
<b>EXPENSES:</b>			
Program services.....	1,850,447	-	1,850,447
Management and general.....	314,130	-	314,130
Fundraising.....	282,455	-	282,455
<b>TOTAL EXPENSES</b>	<b>2,447,032</b>	<b>-</b>	<b>2,447,032</b>
<b>CHANGE IN NET ASSETS</b>	<b>170,133</b>	<b>-</b>	<b>170,133</b>
Net assets, beginning of year.....	118,511	28,284	146,795
Net assets, end of year.....	<u>\$ 288,644</u>	<u>\$ 28,284</u>	<u>\$ 316,928</u>

## NONTRADITIONAL EMPLOYMENT FOR WOMEN

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2016

	Program Services	Management and General	Fundraising	Total
Salaries.....	\$ 1,066,516	\$ 154,239	\$ 133,228	\$ 1,353,983
Payroll taxes and employee benefits (Note 9).....	239,090	60,412	26,976	326,478
Facilities (Note 5).....	155,842	24,455	7,323	187,620
Direct program expense.....	146,717	-	-	146,717
Contracted service program.....	73,419	-	-	73,419
Professional fees.....	73,061	45,911	3,251	122,223
Equipment lease and IT.....	28,891	4,540	1,660	35,091
Temporary help.....	-	-	18,915	18,915
Development.....	-	1,632	65,407	67,039
Insurance and fees.....	4,393	50,709	212	55,314
Office supplies, copies, and postage.....	12,754	1,629	1,177	15,560
Communications.....	20,605	1,987	255	22,847
Staff development, events, and meetings.....	7,238	6,527	961	14,726
Depreciation and amortization (Notes 3 and 4).....	64,223	7,382	2,214	73,819
Bad debt expense.....	-	26,253	-	26,253
Interest expense (Note 4).....	-	1,631	-	1,631
<b>TOTAL EXPENSES</b>	<b>\$ 1,892,749</b>	<b>\$ 387,307</b>	<b>\$ 261,579</b>	<b>\$ 2,541,635</b>

## NONTRADITIONAL EMPLOYMENT FOR WOMEN

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2015

	Program Services	Management and General	Fundraising	Total
Salaries.....	\$ 1,036,329	\$ 155,965	\$ 172,970	\$ 1,365,264
Payroll taxes and employee benefits (Note 9).....	251,838	45,424	32,060	329,322
Facilities (Note 5).....	175,299	23,548	6,047	204,894
Direct program expense.....	114,991	-	-	114,991
Contracted service program.....	60,383	-	-	60,383
Professional fees.....	81,104	32,675	4,784	118,563
Equipment lease and IT.....	30,649	3,483	2,169	36,301
Temporary help.....	2,662	306	92	3,060
Development.....	90	96	53,526	53,712
Insurance and fees.....	18,103	36,571	624	55,298
Office supplies, copies, and postage.....	11,851	1,499	1,410	14,760
Communications.....	518	1,580	14	2,112
Staff development, events, and meetings.....	8,112	6,256	6,741	21,109
Depreciation and amortization (Notes 3 and 4).....	58,518	6,727	2,018	67,263
Bad debt expense.....	-	-	-	-
Interest expense.....	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,850,447</b>	<b>\$ 314,130</b>	<b>\$ 282,455</b>	<b>\$ 2,447,032</b>

## NONTRADITIONAL EMPLOYMENT FOR WOMEN

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30,

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets.....	\$ 291,585	\$ 170,133
<u>Adjustments to reconcile change in net assets to net cash provided by operating activities:</u>		
Bad debt expense.....	26,253	-
Depreciation and amortization.....	73,819	67,263
Deferred rent .....	(38,303)	(32,056)
<u>Changes in operating assets and liabilities:</u>		
Grants receivable.....	(255,288)	177,691
Contributions receivable.....	(79,940)	14,663
Prepaid expenses and other current assets.....	(1,194)	18,820
Security deposits.....	(1,067)	(2,560)
Accounts payable and accrued expenses.....	40,745	(105,565)
Accrued payroll.....	18,445	(20,298)
Deferred income.....	(6,299)	6,299
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>68,756</b>	<b>294,390</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES:</b>		
Repayments of capital lease obligations.....	(23,667)	(25,427)
<b>NET CHANGE IN CASH</b>	<b>45,089</b>	<b>268,963</b>
Cash and cash equivalents, beginning of year.....	475,593	206,630
Cash and cash equivalents, end of year.....	<u>\$ 520,682</u>	<u>\$ 475,593</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for interest.....	<u>\$ 1,631</u>	<u>\$ -</u>
Non-cash aquisition of property and equipment.....	<u>\$ 83,206</u>	<u>\$ -</u>

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Nontraditional Employment for Women (hereinafter, "NEW") is presented to assist in understanding NEW's financial statements. The financial statements and notes are representations of NEW's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization: NEW prepares, trains, and places women in careers in the skilled construction, utility, and maintenance trades, helping women achieve economic independence and secure futures. At the same time, NEW provides a pipeline of qualified workers to the industries that build, move, power, green, and maintain New York. For more than 35 years, NEW has been a groundbreaking model that works for women and for New York City.

NEW focuses on placing graduates within skilled, unionized jobs in the trades with benefits, and a path to higher-wage employment. NEW primarily serves low-income minority women from all five boroughs of New York City.

Income Tax Status: NEW is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). Donors may deduct contributions made to NEW within the requirements of the Internal Revenue Code.

NEW evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2016 and 2015.

NEW files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local taxing authorities. Tax returns for the years ended June 30, 2013, 2014, 2015, and 2016 are open for examination by federal, state, and local taxing authorities. NEW has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: These financial statements are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: Financial statement presentation follows United States generally accepted accounting principles specifically for not-for-profit organizations. NEW is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations as well as activity with donor-imposed restrictions that expire within the same period.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by action of NEW and/or passage of time.

All donor-restricted support is reported as an increase in restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of Presentation (continued):

Contributions received whose restrictions expire within the same year, as well as contributions received without restrictions, are recorded as unrestricted. Conditional contributions are recognized when the conditions on which they depend are substantially met.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by NEW. Generally, the donors of these assets would permit NEW to use all or part of the income earned on any related investments for general or specific purposes. NEW did not have any permanently restricted net assets as of June 30, 2016 and 2015.

Cash and Cash Equivalents: For purposes of financial reporting, cash and cash equivalents include cash held in checking accounts and money market funds with an initial maturity of three months or less. At June 30, 2016 and 2015, NEW maintained Board designated cash that is to be used for potential future funding gaps and emergency expenses (see Note 6).

Fair Value Measurements: NEW defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

Property and Equipment: Capital outlays for leasehold improvements, and purchases of furniture, equipment, and other fixed assets that have a useful life of greater than one year are capitalized at cost or, if donated, at their fair values, at the dates of the gifts. Depreciation and amortization are taken using the straight-line method over the estimated useful life of the asset or current lease term, whichever is shorter, as follows:

Office equipment.....	5 years
Furniture.....	10 years
Leasehold improvements.....	shorter of life of lease or 15 to 24 years

Deferred Rent: NEW records rent expense on the straight-line method. In essence, rent expense is recorded evenly throughout the lease term, even though actual payments increase on an annual basis. The excess of amounts paid in earlier years of the lease that exceed the amount required to be recognized under the straight-line basis are recorded as deferred rent. As future payments exceed the amount recognized as rent expense under the straight-line basis, the deferred rent will be reduced.

Government Grant and Contract Income: During the years ended June 30, 2016 and 2015, NEW received grants from government agencies. Each grant is reviewed to determine if it has traits that more closely resemble contributions or exchange transactions. Exchange transactions are recorded as refundable advances until earned, at which time they are recognized as revenue. Cash received in excess of revenue earned is treated as a deferred revenue liability.

Unconditional Promises to Give: NEW records unconditional promises to give as revenue in the period received at net realizable value if expected to be received in less than one year. Unconditional promises to give due in subsequent years are reported at the net present value of their net realizable values, using appropriate interest rates applicable to the years in which the promises are to be received.

Receivables are charged to bad debt expense when they are deemed to be uncollectible based on a periodic review of the grants and contributions receivable. Based on a review of specific accounts and historical

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

trends, management has established an allowance for doubtful accounts of \$26,253 as of June 30, 2016. There was no allowance for doubtful accounts as of June 30, 2015.

Contributed Services: Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically be purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist NEW. These services have not been recorded in the financial statements, as they do not meet the criteria outlined above.

Estimates: The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising: The cost of advertising is expensed as incurred.

Compensated Absences: Pursuant to the personnel manual implemented by NEW, vacation and holiday time is accumulated on an ongoing basis. The accumulated leave accrual at June 30, 2016 and 2015 amounted to \$55,880 and \$44,545, respectively, and is included within accrued payroll in the accompanying statements of financial position.

Functional Expenses: The costs of providing NEW's various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses have been allocated between program services and support services based on an analysis of personnel time for the related activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of NEW.

Subsequent Events: NEW evaluated all events or transactions that occurred after the statement of financial position date of June 30, 2016 through January 5, 2017, the date these financial statements were available to be issued. During this period, NEW did not have any subsequent events that required recognition or disclosure in the financial statements.

### NOTE 2 - PROGRAM SERVICES

Recruitment and Support Services: NEW recruits students from across New York City, targeting low-income neighborhoods. NEW's recruitment efforts include: referrals from New York City Workforce Centers; job fairs; partnering directly with community-based organizations and elected officials; the Feet on the Street initiative where graduates go into neighborhoods to reach potential students; and targeted recruitment in low-income neighborhoods and New York City Housing Authority ("NYCHA") housing developments. NEW provides support services to all of its prospective students, students, and graduates. NEW has a full time social worker who works closely with these women. NEW has partnerships with local government and community-based organizations to provide referrals for housing, childcare, and other support to NEW participants.

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 2 - PROGRAM SERVICES (continued)

NEW is the recipient of a two-year United States Department of Labor Women in Apprenticeship and Nontraditional Occupations (“WANTO”) grant, whereby NEW provides technical assistance and shares best practices for recruiting and retaining women in the unionized building trades to building and construction trades registered apprenticeship programs in the Northeast region.

Training: NEW offers two free training programs to prepare low-income women for nontraditional careers. Blue Collar Prep and NEW at Night are seven-week pre-apprenticeship programs preparing unemployed and underemployed women for nontraditional careers. NEW conducts training cycles continually throughout the year in order to meet the recruitment demands of employers and union apprenticeship programs. The comprehensive, innovative curriculum, developed in collaboration with union apprenticeship directors and employers, includes job readiness, basic hands-on shop classes in carpentry, electrical work, painting, lifting and carrying, trades math, and health and safety training.

Job Placement: NEW offers Mechanical Trades Workshops, one-day and evening optional workshops focusing on hands-on training in trade areas not covered in its core programs such as building maintenance and operations, green deconstruction, and plumbing. These workshops increase NEW graduates’ interest and ability to be placed in these trades. NEW provides assistance for driving courses and subsequent driving tests for graduates to obtain their drivers licenses when required for employment, mainly in the energy and transportation industries. Many NEW graduates are required to participate in an Aptitude Test Preparation program that prepares graduates for challenging entrance examinations in trades including Electrician, Elevator Maintenance and Repair, Con Edison, and Sheet Metal.

NEW staff members work with each student throughout training to help the student select and pursue career choices. Employment staff members participate in mid-term evaluations and final exit evaluations working with the program coordinators to ensure each student understands her career options, evaluates her skills and ability to succeed, and selects the career where she is best suited and will excel. NEW’s job readiness curriculum and job placement services include training in resume creation and revision, interview preparation, and mock interview sessions. NEW employment staff members hold job clubs giving students the opportunity to meet with employment staff members to determine the best approach to reach their career goals, to apply for jobs, and to prepare for job interviews.

NEW’s training prepares women for union apprenticeship programs. NEW’s graduation certificate is recognized by the New York City building and construction trades apprenticeship programs and New York State Department of Labor for direct entry into the unions. NEW also works with employers in construction related jobs, transportation, facilities maintenance, and the utilities.

Retention: Once NEW graduates are placed in permanent positions, NEW assists graduates by helping with upfront costs associated with their new careers, including union induction dues and purchasing quality tools, trade-specific clothing, and safety gear. NEW provides retention services to all graduates. Services include mentoring opportunities, career advancement and other training opportunities, speaker series, special events, and other opportunities. NEW helps graduates in construction unions keep working by tracking graduates who are working in the industry and the projects that they are working on, providing information to graduates about opportunities on projects throughout the City, and working directly with contractors to find tradeswomen work. Many projects focus on hiring local residents and NEW provides such information to its graduates.

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30,:

	<u>2016</u>	<u>2015</u>
Leasehold improvements .....	\$ 1,206,329	\$ 1,206,329
Office equipment .....	122,490	134,804
Furniture .....	1,208	1,208
Property and equipment at cost .....	1,330,027	1,342,341
Less: accumulated depreciation and amortization .....	(1,003,316)	(1,025,017)
Property and equipment, net .....	<u>\$ 326,711</u>	<u>\$ 317,324</u>

NEW leases a three-story building from the City of New York. Leasehold improvements that have been paid directly by NEW have been capitalized.

### NOTE 4 - CAPITAL LEASE OBLIGATIONS

During the year ended June 30, 2012, NEW financed \$95,520 for office equipment. The debt was secured by the office equipment and bore no interest. NEW was required to make payments of \$1,990 per month for forty-eight months through May 2016. The equipment was fully depreciated and disposed of during the year ended June 30, 2016.

During the year ended June 30, 2016, NEW financed office equipment with a fair value of \$83,206. The debt is secured by the office equipment and bears interest at 6.05%. NEW is required to make payments of \$1,956 per month for forty-eight months through December 2019. Accumulated amortization of the leased equipment at June 30, 2016 was \$10,401. Amortization of assets under the capital lease is included in depreciation and amortization expense.

Future minimum annual payments of the capital lease obligation are as follows for years ending June 30,:

2017 .....	\$ 23,472
2018 .....	23,472
2019 .....	23,472
2020 .....	15,648
Total future minimum payments .....	<u>86,064</u>
Less: amounts representing interest .....	<u>(8,878)</u>
Net minimum lease payments .....	<u>\$ 77,186</u>

### NOTE 5 - LEASES

NEW leases a three-story building from the City of New York. The thirty-five year lease expires on December 31, 2023. The lease requires monthly rental payments that increase five percent in January of each succeeding year.

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 5 - LEASES (continued)

In December 2009, NEW entered into a lease agreement for building space in Brooklyn, New York. The three-year lease commenced in February 2010 and expired in January 2013. During 2012, NEW extended the lease agreement for an additional three years expiring in January 2016. The lease required monthly rental payments that increase three percent in February of each succeeding year. In September 2015, NEW terminated this lease prior to the scheduled expiration in January 2016 and changed the location of its Brooklyn offices.

In September 2015, NEW entered into a new lease agreement for building space in Brooklyn, New York. The lease commenced in October 2015 and expires in January 2018. The new lease will require monthly rental payments that increase four percent in February of each succeeding year.

Rent expense from long-term leases with escalation clauses is required to be allocated evenly over the life of the leases. In years when the actual lease payments are less than the average annual rent over the lease, a liability is recorded for the difference between the average annual rent and the actual payments incurred. When the actual lease payments exceed the average annual rent, the liability is reduced. Accordingly, NEW has recorded a corresponding liability of \$520,375 and \$558,678 at June 30, 2016 and 2015, respectively, in association with the straight-lining of the rent which is included in deferred rent on the statements of financial position.

Future minimum annual payments under all operating leases are as follows for the years ending June 30,:

2017 .....	\$	169,446
2018 .....		163,558
2019 .....		151,885
2020 .....		159,480
2021 .....		167,454
Thereafter.....		455,004
Total.....	\$	<u>1,266,827</u>

### NOTE 6 - NET ASSETS

#### Unrestricted - Board Designated

NEW has a reserve fund designated by the Board for the purpose of ensuring the continuation of operations in the event of funding gaps, unanticipated or emergency expenses, or losses. This policy was formalized during fiscal 2012 and includes a minimum threshold of \$200,000.

In the event NEW requires funds that will cause the reserve fund to drop below the minimum threshold, the full Board will be notified. The Finance Committee will work with the President and Chief Financial Officer to develop a plan to manage any such shortfall. The balance in the reserve fund at June 30, 2016 and 2015 is included in cash and cash equivalents on the accompanying statements of financial position.

# NONTRADITIONAL EMPLOYMENT FOR WOMEN

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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### NOTE 6 - NET ASSETS (continued)

#### Temporarily Restricted

NEW's temporarily restricted net assets balances as of June 30, 2016 and 2015 were as follows:

Con Edison.....	\$	1,824
Greater New York.....		6,460
Corenet Global, Inc. ....		20,000
Total .....	\$	<u>28,284</u>

There were no additions to or releases of temporarily restricted net assets during the years ended June 30, 2016 and 2015. All funds as of June 30, 2016 and 2015 were restricted as to purpose.

### NOTE 7 - SPECIAL EVENT

NEW holds an annual fundraising event in June of each year. The event is attended by various construction companies, trade unions, and other organizations. The special event is to solicit contributions in support of NEW's programs.

The gross amounts of pledges, gifts, and cash donations, and the related cost of the event are summarized as follows for the years ended June 30.:

	<u>2016</u>	<u>2015</u>
Donations and pledges.....	\$ 854,930	\$ 751,018
Expenses: donor received direct benefit .....	<u>(112,003)</u>	<u>(104,620)</u>
Special event, net of direct expenses .....	742,927	646,398
Other fundraising expenses.....	<u>(65,148)</u>	<u>(52,728)</u>
Net proceeds.....	<u>\$ 677,779</u>	<u>\$ 593,670</u>

### NOTE 8 - CONCENTRATIONS OF RISK

During the years ended June 30, 2016 and 2015, NEW generated approximately 39% and 45% of its total support and revenue from three funding sources, respectively.

NEW places its temporary cash and money market accounts with financial institutions that are insured by the Federal Deposit Insurance Corporation. At times, NEW has cash amounts in excess of these insured limits, however management deems these institutions to be creditworthy.

### NOTE 9 - RETIREMENT PLAN

NEW has a deferred annuity plan in accordance with the Internal Revenue Code Section 403(b). The plan allows employees to voluntarily contribute a portion of their salaries (limited by statutory rates) to the plan to be used for retirement. NEW will match up to 4% of the salaries of full-time employees who contributed to this plan. Participants are vested upon three years of employment. Total pension expense for the years ended June 30, 2016 and 2015, was \$23,050 and \$12,934, respectively.