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JOBS FOR LIFE, INC.

Financial Statements

December 31, 2012

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The Board of Directors
Jobs For Life, Inc.
Raleigh, North Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Jobs For Life, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jobs for Life, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Koonce, Wooten & Haywood, LLP

Raleigh, North Carolina
September 27, 2013

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JOBS FOR LIFE, INC.
Statement of Financial Position
December 31, 2012

ASSETS

CURRENT ASSETS:

Cash	\$ 292,497
Accounts Receivable	5,219
Sales Tax Refund Receivable	927
Prepaid Expense	3,176
Total Current Assets	301,819

PROPERTY AND EQUIPMENT:

Office Equipment	17,682
Less Accumulated Depreciation and Amortization	15,027
Net Property and Equipment	2,655

Total Assets	\$ 304,474
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 6,369
Accrued Expenses	12,821
Payroll Liabilities	5,786
Total Current Liabilities	24,976

NET ASSETS:

Unrestricted	261,767
Temporarily Restricted	17,731
Total Net Assets	279,498

Total Liabilities and Net Assets	\$ 304,474
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The accompanying notes are an integral part of the financial statements.

JOBS FOR LIFE, INC.
Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Contributions	\$ 591,007	\$ 45,000	\$ 636,007
Sale of Toolkits and Materials	115,453	-	115,453
Conferences and Workshops	2,225	-	2,225
Interest and Other	562	-	562
Total Support and Revenues	<u>709,247</u>	<u>45,000</u>	<u>754,247</u>
 Net Assets Released From Restrictions	 <u>27,269</u>	 <u>(27,269)</u>	 <u>-</u>
 Total Support and Revenues After Releases From Restrictions	 <u>736,516</u>	 <u>17,731</u>	 <u>754,247</u>
EXPENSES:			
Program Services:			
Marketing and Sales	369,197	-	369,197
Customer Service	36,873	-	36,873
Product Development	53,833	-	53,833
Total Program Services	<u>459,903</u>	<u>-</u>	<u>459,903</u>
Supporting Services:			
Management and General	62,426	-	62,427
Fund-Raising	18,481	-	18,480
Total Supporting Services	<u>80,907</u>	<u>-</u>	<u>80,907</u>
 Total Expenses	 <u>540,810</u>	 <u>-</u>	 <u>540,810</u>
 CHANGES IN NET ASSETS	 <u>195,706</u>	 <u>17,731</u>	 <u>213,437</u>
 NET ASSETS--Beginning of Year	 <u>66,061</u>	 <u>-</u>	 <u>66,061</u>
 NET ASSETS--End of Year	 <u>\$ 261,767</u>	 <u>\$ 17,731</u>	 <u>\$ 279,498</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
December 31, 2012

JOBS FOR LIFE, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services			Total Program Services
	Marketing and Sales	Customer Service	Product Development	
Salaries, Payroll Taxes, and Employee Benefits	\$ 314,512	\$ 23,554	\$ 23,960	\$ 362,026
Marketing and Promotion	7,707	2,174	25,359	35,240
Office Rent	-	-	-	-
Travel and Meals	15,245	-	496	15,741
Conferences and Events	16,151	-	-	16,151
Service Delivery Costs	8,307	3,950	594	12,851
Professional Fees	-	-	3,197	3,197
Office Supplies and Equipment	2,918	205	20	3,143
Financing Fees	-	-	-	-
Postage and Shipping	597	6,190	207	6,994
Insurance	-	-	-	-
Telephone and Internet	3,260	800	-	4,060
Depreciation	-	-	-	-
Other	500	-	-	500
Staff Development	-	-	-	-
Total Expenses	<u>\$ 369,197</u>	<u>\$ 36,873</u>	<u>\$ 53,833</u>	<u>\$ 459,903</u>

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

Supporting Services			
Management and General	Fund-Raising	Total Supporting Services	Totals
\$ 8,487	\$ 17,560	\$ 26,047	\$ 388,073
-	-	-	35,240
22,515	-	22,515	22,515
895	-	895	16,636
134	-	134	16,285
-	-	-	12,851
8,776	-	8,776	11,973
5,289	276	5,565	8,708
8,499	-	8,499	8,499
471	289	760	7,754
4,485	6	4,491	4,491
290	15	305	4,365
1,860	-	1,860	1,860
537	-	537	1,037
188	335	523	523
<u>\$ 62,426</u>	<u>\$ 18,481</u>	<u>\$ 80,907</u>	<u>\$ 540,810</u>

JOBS FOR LIFE, INC.
Statement of Cash Flows
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in Net Assets	\$ 213,437
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,860
Changes In:	
Accounts Receivable	4,475
Sales Tax Refund Receivable	175
Prepaid Expense	(3,176)
Accounts Payable	(20,524)
Accrued Expenses	2,056
Payroll Liabilities	1,881
Net Cash Provided by Operating Activities	<u>200,184</u>
NET INCREASE IN CASH	200,184
CASH--Beginning of Year	<u>92,313</u>
CASH--End of Year	<u><u>\$ 292,497</u></u>

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

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2012

1. Nature of Activities and Summary of Significant Accounting Policies

A. Nature of Activities:

Jobs For Life, Inc. (the Organization) is a global nonprofit that equips Christ-centered churches and organizations to prepare unemployed or under-employed individuals for work and life. The Organization does this by providing turnkey toolkits containing all of the materials needed for churches and organizations to lead a JfL training class, which teaches timeless biblical principles concerning work and the ways those principles are applied in the marketplace. Through this training, men and women develop character and become connected to a community of support to help them obtain meaningful employment. Additionally, students experience life, a life filled with faith, confidence, and discipline. Periodically, the Organization hosts training events, including conferences, webinars, and seminars. The Organization is headquartered in Raleigh, North Carolina.

B. Basis of Accounting:

The accompanying financial statements are prepared on the accrual basis. The accrual method records revenue when earned and expenses when incurred. As a result, receivables are recorded as assets, and obligations due are shown as liabilities.

C. Basis of Presentation:

The Organization follows standards for external financial reporting by not-for-profit organizations that requires its resources be classified for accounting and reporting purposes into three net asset categories according to externally imposed restrictions. Accordingly, net assets of the Organization and changes therein may be classified and reported as follows:

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

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

Permanently Restricted Net Assets--Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization currently has no permanently restricted net assets.

D. Cash and Cash Equivalents:

For the purposes of the statement of cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

E. Accounts Receivable:

Accounts receivable are amounts due for toolkits sold. Management deems all receivables to be collective.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2012

1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

F. Restricted and Unrestricted Revenue:

Contributions of cash and other assets, as well as grants, are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. 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 statement of activities as net assets released from restrictions.

G. Functional Allocation of Expenses:

The costs of providing the program and supporting services of the Organization have been summarized on a functional basis in the statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates made by the Organization's management.

H. Accounting Estimates:

The preparation of financial statements in accordance 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.

I. Property and Equipment:

Property and equipment are recorded at cost if purchased and fair market value if donated. Depreciation has been calculated by using the double declining balance method, which is an accelerated method of depreciation. A capitalization threshold of \$1,000 is utilized.

J. Income Tax Status:

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions provided in Section 170(b)(1)(A)(vi). The Organization files information returns in the U.S. Federal jurisdiction. Tax years subsequent to 2008 remain subject to examination by Federal tax authorities.

K. Subsequent Events:

The Organization has evaluated subsequent events through September 27, 2013, the date the financial statements were available to be issued, and is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2012

2. Concentration of Credit Risk

The Organization maintains cash balances at a financial institution located in Raleigh, North Carolina. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for interest bearing accounts and unlimited protection for noninterest bearing accounts. At December 31, 2012, all deposit amounts were fully insured.

3. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2012 are available for the following purposes:

Tennessee Jobs For Life Location	\$ <u>17,731</u>
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4. Lease Commitments

The Organization leases office space under a non-cancelable operating lease that expires on April 14, 2014. Rent expense of this lease for year ended December 31, 2012 was \$22,515. Future minimum lease payments are as follows:

<u>Years Ending December 31</u>	
2013	\$ 36,720
2014	<u>12,360</u>
	<u>\$ 49,080</u>