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JOBS FOR LIFE, INC.

Financial Statements

December 31, 2018

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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, 2018, 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, 2018, 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.

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Report on Summarized Comparative Information

We have previously audited Jobs for Life, Inc.'s 2017 financial statements, and our report dated March 16, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Koonce, Wooten & Haywood, LLP

Raleigh, North Carolina
March 30, 2019

JOBS FOR LIFE, INC.
Statement of Financial Position
December 31, 2018
(With Summarized Financial Information for December 31, 2017)

	ASSETS	
	2018	2017 (Summarized Information)
CURRENT ASSETS:		
Cash	\$ 243,921	\$ 203,018
Pledges Receivable	33,815	72,874
Sales Tax Refund Receivable	1,092	1,303
Accounts Receivable	2,371	491
Prepaid Expense	4,921	5,245
Total Current Assets	286,120	282,931
PROPERTY AND EQUIPMENT:		
Office Equipment and Software	8,549	8,549
Less Accumulated Depreciation and Amortization	7,544	6,662
Net Property and Equipment	1,005	1,887
NON-CURRENT ASSETS:		
Security Deposit	-	4,400
Total Non-Current Assets	-	4,400
Total Assets	\$ 287,125	\$ 289,218
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 29,278	\$ 15,644
Accrued Payroll	16,913	25,439
Deferred Revenue	2,500	2,500
Total Current Liabilities	48,691	43,583
NET ASSETS:		
Without Donor Restrictions	177,326	184,381
With Donor Restrictions	61,108	61,254
Total Net Assets	238,434	245,635
Total Liabilities and Net Assets	\$ 287,125	\$ 289,218

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

JOBS FOR LIFE, INC.
Statement of Activities
For the Year Ended December 31, 2018
(With Summarized Financial Information for the Year Ended December 31, 2017)

	2018		2017 (Summarized Information)	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUES:				
Contributions	\$ 503,825	\$ 107,777	\$ 611,602	\$ 1,027,258
Sale of Training Materials	71,624	-	71,624	66,977
Conferences and Workshops	72,470	-	72,470	44,361
Loss on Disposal of Assets	-	-	-	(2,080)
Interest and Other	3	-	3	6,003
Total Support and Revenues	<u>647,922</u>	<u>107,777</u>	<u>755,699</u>	<u>1,142,519</u>
Net Assets Released From Restrictions	<u>107,923</u>	<u>(107,923)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues After Releases From Restrictions	<u>755,845</u>	<u>(146)</u>	<u>755,699</u>	<u>1,142,519</u>
EXPENSES:				
Program Services:				
Engagement and Awareness	314,145	-	314,145	534,575
Training and Leadership Development	203,230	-	203,230	234,180
Strategic Initiatives	6,904	-	6,904	64,971
Measurement and Evaluation	173	-	173	55,776
International Development	154	-	154	1,671
Total Program Services	<u>524,606</u>	<u>-</u>	<u>524,606</u>	<u>891,173</u>
Supporting Services:				
Management and General	189,844	-	189,844	182,493
Fundraising	48,450	-	48,450	141,225
Total Supporting Services	<u>238,294</u>	<u>-</u>	<u>238,294</u>	<u>323,718</u>
Total Expenses	<u>762,900</u>	<u>-</u>	<u>762,900</u>	<u>1,214,891</u>
CHANGES IN NET ASSETS	<u>(7,055)</u>	<u>(146)</u>	<u>(7,201)</u>	<u>(72,372)</u>
NET ASSETS--Beginning of Year	<u>184,381</u>	<u>61,254</u>	<u>245,635</u>	<u>318,007</u>
NET ASSETS--End of Year	<u>\$ 177,326</u>	<u>\$ 61,108</u>	<u>\$ 238,434</u>	<u>\$ 245,635</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
December 31, 2018

JOBS FOR LIFE, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2018
(With Summarized Financial Information for the Year Ended December 31, 2017)

	Program Services			
	Engagement and Awareness	Training and Leadership Development	Strategic Initiatives	Measurement and Evaluation
Salaries, Payroll Taxes, and Employee Benefits	\$ 253,120	\$ 125,669	\$ 143	\$ 173
Professional Fees	4,490	1,584	-	-
Office Rent	-	-	-	-
Marketing and Promotion	25,134	6,437	900	-
Travel and Meals	7,935	15,684	974	-
Grant Expense	-	19,000	4,838	-
Conferences and Events	11,636	8,281	-	-
Service Delivery Costs	1,749	11,007	-	-
Bank Fees	-	6,435	-	-
Telephone and Internet	4,807	1,400	-	-
Postage and Shipping	746	6,386	-	-
Office Supplies and Equipment	4,354	554	49	-
Insurance	-	-	-	-
Staff Development	119	725	-	-
Depreciation	-	-	-	-
Other	55	68	-	-
Total Expenses	<u>\$ 314,145</u>	<u>\$ 203,230</u>	<u>\$ 6,904</u>	<u>\$ 173</u>

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

International Development	Total Program Services	Supporting Services			2018 Totals	2017 Totals (Summarized Information)
		Management and General	Fundraising	Total Supporting Services		
\$ 154	\$ 379,259	\$ 74,319	\$ 41,183	\$ 115,502	\$ 494,761	\$ 921,141
-	6,074	46,571	1,590	48,161	54,235	74,907
-	-	45,639	-	45,639	45,639	54,900
-	32,471	-	198	198	32,669	37,685
-	24,593	6,659	859	7,518	32,111	31,677
-	23,838	-	-	-	23,838	-
-	19,917	1,545	-	1,545	21,462	16,538
-	12,756	3,026	-	3,026	15,782	24,426
-	6,435	149	4,346	4,495	10,930	10,624
-	6,207	3,504	-	3,504	9,711	18,348
-	7,132	468	100	568	7,700	7,878
-	4,957	1,240	-	1,240	6,197	7,366
-	-	5,362	-	5,362	5,362	5,984
-	844	140	174	314	1,158	1,373
-	-	882	-	882	882	1,624
-	123	340	-	340	463	420
<u>\$ 154</u>	<u>\$ 524,606</u>	<u>\$ 189,844</u>	<u>\$ 48,450</u>	<u>\$ 238,294</u>	<u>\$ 762,900</u>	<u>\$ 1,214,891</u>

JOBS FOR LIFE, INC.
Statement of Cash Flows
For the Year Ended December 31, 2018
(With Summarized Financial Information for December 31, 2017)

	2018	2017 (Summarized Information)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ (7,201)	\$ (72,372)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	882	1,624
Loss on Disposal of Assets	-	2,080
Changes In:		
Pledges Receivable	39,059	60,246
Sales Tax Refund Receivable	211	(140)
Accounts Receivable	(1,880)	1,141
Prepaid Expense	324	4,823
Security Deposit	4,400	-
Accounts Payable	13,634	6,825
Accrued Payroll	(8,526)	(24,656)
Deferred Revenue	-	2,500
Net Cash Provided (Used) by Operating Activities	40,903	(17,929)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(1,203)
Net Cash Used by Investing Activities	-	(1,203)
NET INCREASE (DECREASE) IN CASH	40,903	(19,132)
CASH--Beginning of Year	203,018	222,150
CASH--End of Year	\$ 243,921	\$ 203,018

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

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2018

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 resources, tools, and training 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 skills important to employers and become connected to a community of support to help them obtain meaningful employment. Additionally, participants experience life, a life filled with faith, confidence, and hope. The Organization hosts live and online training events, conferences and webinars. 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 two net asset categories according to externally imposed restrictions. Accordingly, net assets of the Organization and changes therein may be classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction end or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization currently has no assets that meet this criteria.

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.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2018

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

E. Accounts Receivable:

Accounts receivable are amounts due for training materials sold. Management deems all receivables to be collectible.

F. Pledges Receivable:

Pledges are recorded when the donor makes an unconditional promise to give. All pledges are expected to be collected within one year and an allowance is not deemed necessary.

G. Restricted and Unrestricted Revenue:

Contributions of cash and other assets, as well as grants, are recorded as increases in with or without donor restrictions, depending on the existence or nature of any donor restrictions.

H. 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.

I. 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.

J. 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. The difference in depreciation expense from the straight-line method is not material. A capitalization threshold of \$1,000 is utilized.

K. 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 and has its three previous tax years open to examination. The Organization has not been informed by any tax authorities for any jurisdictions that any of its tax years are under examination as of December 31, 2018.

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. At December 31, 2018, all deposit amounts were fully insured.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2018

3. Net Assets

Net assets with donor restrictions at December 31, 2018 are restricted for the following purposes or periods:

Charleston Jobs for Life Expansion	\$ 38,108
Business Relations Manager	<u>23,000</u>
	<u>\$ 61,108</u>

Net assets without donor restrictions are composed of the following as of December 31, 2018:

Undesignated	\$ 176,321
Invested in Property and Equipment	<u>1,005</u>
	<u>\$ 177,326</u>

4. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

Charleston Jobs for Life Expansion	\$ 12,641
Business Relations Manager	<u>95,282</u>
	<u>\$ 107,923</u>

5. Liquidity and Availability

The Organization manages its liquid resources by focusing on obtaining contributions, conferences, and sales of training materials to ensure the entity has adequate funds to cover the programs that are being conducted. The Organization prepares very detailed budgets and has been very active in managing costs to ensure the entity remains liquid.

The Organization's financial assets as of December 31, 2018 expected to be available within one year to meet the cash needs for general expenditures comprise the following:

Cash	\$ 243,921
Pledges Receivable	33,815
Accounts Receivable	2,371
Sales Tax Refund Receivable	<u>1,092</u>
Financial assets, at year end	281,199
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>61,108</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 220,091</u>

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2018

6. Lease Commitments

The Organization leases office space under a non-cancelable operating lease that expired on September 30, 2018. Rent expense for this lease for the year ended December 31, 2018 was \$38,439.

7. Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017 from which the summarized information was derived.

8. Subsequent Events

The Organization has evaluated subsequent events through March 30, 2019, 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.

9. Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. Such reclassifications had no effect on changes in net assets or cash flows.