

oOo

JOBS FOR LIFE, INC.

Financial Statements

December 31, 2013

oOo

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 2013, 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, 2013, 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.

Report on Summarized Comparative Information

We have previously audited Job For Life, Inc.'s 2012 financial statements, and our report dated September 27, 2013, 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Koonce, Wooten & Haywood, LLP

Raleigh, North Carolina
June 30, 2014

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619
919 782 9265
919 783 8937 FAX

Durham
3511 Shannon Road
Suite 100
Durham, North Carolina 27707
919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312
919 542 6000
919 542 5764 FAX

JOBS FOR LIFE, INC.
Statement of Financial Position
December 31, 2013
(With Comparatives Totals for December 31, 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash	\$ 167,447	\$ 292,497
Pledge Receivable	93,174	-
Accounts Receivable	-	5,219
Sales Tax Refund Receivable	848	927
Prepaid Expense	4,548	3,176
Total Current Assets	<u>266,017</u>	<u>301,819</u>
PROPERTY AND EQUIPMENT:		
Office Equipment and Software	22,826	17,682
Less Accumulated Depreciation and Amortization	<u>17,167</u>	<u>15,027</u>
Net Property and Equipment	<u>5,659</u>	<u>2,655</u>
Total Assets	<u>\$ 271,676</u>	<u>\$ 304,474</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable	\$ 5,082	\$ 6,369
Accrued Expenses	17,695	12,821
Deferred Revenue	2,705	-
Payroll Liabilities	<u>12,311</u>	<u>5,786</u>
Total Current Liabilities	<u>37,793</u>	<u>24,976</u>
NET ASSETS:		
Unrestricted	201,272	261,767
Temporarily Restricted	<u>32,611</u>	<u>17,731</u>
Total Net Assets	<u>233,883</u>	<u>279,498</u>
Total Liabilities and Net Assets	<u>\$ 271,676</u>	<u>\$ 304,474</u>

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

JOBS FOR LIFE, INC.
Statement of Activities
For the Year Ended December 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUES:				
Contributions	\$ 675,128	\$ 25,000	\$ 700,128	\$ 636,007
Sale of Toolkits and Materials	135,343	-	135,343	115,453
Conferences and Workshops	9,071	-	9,071	2,225
Interest and Other	1,431	-	1,431	562
Total Support and Revenues	<u>820,973</u>	<u>25,000</u>	<u>845,973</u>	<u>754,247</u>
Net Assets Released From Restrictions	<u>10,120</u>	<u>(10,120)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues After Releases From Restrictions	<u>831,093</u>	<u>14,880</u>	<u>845,973</u>	<u>754,247</u>
EXPENSES:				
Program Services:				
Marketing and Sales	508,573	-	508,573	369,197
Customer Service	94,949	-	94,949	36,873
Product Development	94,391	-	94,391	53,833
Total Program Services	<u>697,913</u>	<u>-</u>	<u>697,913</u>	<u>459,903</u>
Supporting Services:				
Management and General	114,102	-	114,102	62,426
Fund-Raising	79,573	-	79,573	18,481
Total Supporting Services	<u>193,675</u>	<u>-</u>	<u>193,675</u>	<u>80,907</u>
Total Expenses	<u>891,588</u>	<u>-</u>	<u>891,588</u>	<u>540,810</u>
CHANGES IN NET ASSETS	<u>(60,495)</u>	<u>14,880</u>	<u>(45,615)</u>	<u>213,437</u>
NET ASSETS--Beginning of Year	<u>261,767</u>	<u>17,731</u>	<u>279,498</u>	<u>66,061</u>
NET ASSETS--End of Year	<u>\$ 201,272</u>	<u>\$ 32,611</u>	<u>\$ 233,883</u>	<u>\$ 279,498</u>

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

STATEMENT OF FUNCTIONAL EXPENSES
December 31, 2013

JOBS FOR LIFE
Statement of Functional Expenses
For the Year Ended December 31, 2013
 (With Comparative Totals 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	\$ 338,063	\$ 77,602	\$ 50,963	\$ 466,628
Marketing and Promotion	55,626	2,000	34,491	92,117
Professional Fees	48,785	-	50	48,835
Office Rent	-	-	-	-
Travel and Meals	30,357	358	3,997	34,712
Conferences and Events	19,651	192	-	19,843
Service Delivery Costs	5,489	4,429	3,654	13,572
Telephone and Internet	5,434	659	941	7,034
Postage and Shipping	651	6,812	72	7,535
Financing Fees	418	2,867	7	3,292
Office Supplies and Equipment	2,252	30	42	2,324
Insurance				-
Other	1,804	-	174	1,978
Depreciation	-	-	-	-
Staff Development	43	-	-	43
Total Expenses	\$ 508,573	\$ 94,949	\$ 94,391	\$ 697,913

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

Supporting Services				
Management and General	Fund-Raising	Total Supporting Services	2013 Totals	2012 Totals
\$ 37,031	\$ 74,086	\$ 111,117	\$ 577,745	\$ 388,073
450	83	533	92,650	35,240
14,750	-	14,750	63,585	11,973
44,548	-	44,548	44,548	22,515
2,903	60	2,963	37,675	16,636
175	209	384	20,227	16,285
20	1,002	1,022	14,594	12,851
3,968	100	4,068	11,102	4,365
316	-	316	7,851	7,754
120	3,129	3,249	6,541	8,499
2,320	300	2,620	4,944	8,708
3,950	-	3,950	3,950	4,491
891	604	1,495	3,473	1,037
2,140	-	2,140	2,140	1,860
520	-	520	563	523
<u>\$ 114,102</u>	<u>\$ 79,573</u>	<u>\$ 193,675</u>	<u>\$ 891,588</u>	<u>\$ 540,810</u>

JOBS FOR LIFE, INC.
Statement of Cash Flows
For the Year Ended June 30, 2013
(With Comparatives Totals for December 31, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ (45,615)	\$ 213,437
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,140	1,860
Changes In:		
Pledge Receivable	(93,174)	-
Accounts Receivable	5,219	4,475
Sales Tax Refund Receivable	79	175
Prepaid Expense	(1,372)	(3,176)
Accounts Payable	(1,287)	(20,524)
Accrued Expenses	4,874	2,056
Deferred Revenue	2,705	-
Payroll Liabilities	6,525	1,881
Net Cash Provided (Used) by Operating Activities	(119,906)	200,184
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,144)	-
Net Cash Used by Investing Activities	(5,144)	-
 NET INCREASE (DECREASE) IN CASH	(125,050)	200,184
 CASH--Beginning of Year	292,497	92,313
 CASH--End of Year	\$ 167,447	\$ 292,497

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

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2013

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.

F. Pledge Receivable:

Pledge receivable consists of a matching donation received. The pledge was received by the report date.

G. Deferred Revenue:

Deferred revenue consists of conference fees collected prior to year end for conferences to be held in the following fiscal year.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2013

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

H. 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.

I. 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.

J. 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.

K. 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.

L. 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 2009 remain subject to examination by Federal tax authorities.

M. Subsequent Events:

The Organization has evaluated subsequent events through June 30, 2014, 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.

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, 2013, all deposit amounts were fully insured.

JOBS FOR LIFE, INC.
Notes to Financial Statements
December 31, 2013

3. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2013 are available for the following purposes:

Tennessee Jobs For Life Location	\$ <u>32,611</u>
----------------------------------	------------------

4. Lease Commitments

The Organization leases office space under a non-cancelable operating lease that expired on April 14, 2014. Rent expense of this lease for year ended December 31, 2013 was \$44,548. Future minimum lease payments are \$12,360 for 2014. The Organization currently is not leasing office space and employees are working remotely.

