

***Nashville International Center
for Empowerment***

(A Nonprofit Corporation)

Financial Statements

With Independent Accountant's Report Thereon

FOR THE YEAR ENDED DECEMBER 31, 2010

H A Beasley & Company, PC
Certified Public Accountants
Murfreesboro, Tennessee



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nashville International Center for Empowerment
Nashville, Tennessee

We have audited the accompanying statement of financial position of Nashville International Center for Empowerment (a nonprofit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville International Center for Empowerment as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'H. A. Beasley', written over the date.

February 11, 2011

A Positive Difference Through Professional Accounting Service

Phone: (615) 895-5675 • www.HABeasley.com • Fax: (615) 895-5660
P.O. Box 11669 • 111 MTCS Drive • Murfreesboro, TN 37129

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Financial Position
December 31, 2010

ASSETS	
Cash	\$ 49,042
Accounts receivable (NOTE C)	22,261
Prepaid expenses	42
Current Assets	<u>71,345</u>
Property and equipment	62,018
Less: Accumulated depreciation	11,383
Book value of property and equipment (NOTE D)	<u>50,635</u>
TOTAL ASSETS	<u><u>121,980</u></u>
LIABILITIES	
Payroll liabilities	3,800
Other accrued liabilities	12,426
Current Liabilities	<u>16,226</u>
TOTAL LIABILITIES	<u>16,226</u>
NET ASSETS	
Unrestricted (NOTE E)	89,802
Temporarily restricted (NOTE E)	15,952
	<u>105,754</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 121,980</u></u>

See accompanying notes and independent auditor's report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT**Statement of Activities****Year ended December 31, 2010**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants and donations	\$ 252,597	37,586	\$ 290,183
Program fees	16,943	-	16,943
Special events	3,070	-	3,070
	<u>272,610</u>	<u>37,586</u>	<u>310,196</u>
Released from restrictions	21,634	(21,634)	-
TOTAL REVENUE AND OTHER SUPPORT	<u>294,244</u>	<u>15,952</u>	<u>310,196</u>
EXPENSES			
Program Services	200,007	-	200,007
Supporting services			
Management and general	18,445	-	18,445
Fundraising	11,546	-	11,546
TOTAL EXPENSES	<u>229,998</u>	<u>-</u>	<u>229,998</u>
INCREASE (DECREASE) IN NET ASSETS	<u>64,246</u>	<u>15,952</u>	<u>80,198</u>
Net Assets at Beginning of Year	25,556	-	25,556
NET ASSETS AT END OF YEAR	<u>\$ 89,802</u>	<u>15,952</u>	<u>\$ 105,754</u>

See accompanying notes and independent auditor's report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Cash Flows
Year ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 80,198
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	4,274
(Increase) decrease in operating assets:	
Accounts receivable	(386)
Rent deposits	150
Other current assets	221
Increase (decrease) in operating liabilities:	
Other current liabilities	2,778
Payroll liabilities	3,800
TOTAL ADJUSTMENTS	<u>10,837</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>91,035</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(46,985)
Disposals of property and equipment	310
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(46,675)</u>
NET INCREASE (DECREASE) IN CASH	<u>44,360</u>
CASH AT THE BEGINNING OF YEAR	4,682
CASH AT END OF YEAR	<u><u>\$ 49,042</u></u>

See accompanying notes and independent auditor's report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Functional Expenses
Year ended December 31, 2010

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management & General</u>	<u>Fund- raising</u>	
Compensation and related expenses				
Wages	\$ 134,323	\$ 9,110	\$ 9,471	\$ 152,904
Payroll taxes	11,660	191	198	12,049
Employee benefits	1,401	97	101	1,599
	<u>147,384</u>	<u>9,398</u>	<u>9,770</u>	<u>166,552</u>
Bank charges	445	25	25	495
Books and reference materials	8,722	-	-	8,722
Depreciation	3,846	214	214	4,274
Insurance	450	25	25	500
Licenses and fees	200	11	11	222
Maintenance	1,560	87	87	1,734
Miscellaneous	589	-	-	589
Printing & postage	1,081	60	60	1,201
Professional services	9,475	7,271	-	16,746
Rent	15,359	853	853	17,065
Supplies	7,215	401	401	8,017
Telephone and internet	1,807	100	100	2,007
Training	190	-	-	190
Travel	1,684	-	-	1,684
	<u>\$ 200,007</u>	<u>\$ 18,445</u>	<u>\$ 11,546</u>	<u>\$ 229,998</u>

See accompanying notes and independent auditor's report.

Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2010

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nashville International Center for Empowerment (NICE) is a Tennessee not-for-profit corporation dedicated to empowering refugees and immigrants who have resettled in Middle Tennessee. NICE does this by providing direct social services and educational programs in the following areas:

- Adult education – NICE provides classes in the English language, citizenship, GED, parenting and sewing.
- Career development – NICE provides assistance with resume writing, area job identification, vocational training, application writing, and referral services.
- Social adjustment - NICE provides immigration assistance, interpretation, referral services, and consultation services.
- Emergency services - NICE provides provision of food, clothing and shelter, as well as referrals to legal and family support services.
- Youth development - NICE provides one-on-one tutoring, leadership development, civic engagement, career and educational preparedness, and sports and musical experiences.
- Health and nutrition services - NICE provides classes and seminars on nutrition, disease prevention, child development, mental health, and healthy lifestyles.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Basis of Presentation

The Organization's net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions 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 can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- Permanently restricted net assets- Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2010

Contributions received by the Organization are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions

Contributed Services

During the year ended December 31, 2010 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

It is the Organization's policy to capitalize property and equipment at cost. Maintenance and ordinary repairs are expensed. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Prior to 2010, NICE had a policy of capitalizing individual assets that had a useful life exceeding 1 year and a cost exceeding \$100. Effective January 1, 2010 NICE raised its capitalization threshold for new assets to \$500. Assets purchased under the old policy will continue to be depreciated until their net book value reaches zero. Property and equipment are depreciated using the straight-line method.

Period of Audit

NICE changed its fiscal year-ending date from March 31 to December 31 effective with its 2009 IRS Form 990.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers funds held in the operational checking accounts and the savings accounts to be cash equivalents.

NOTE B—NAME CHANGE

The Sudanese Community and Women's Services Center changed its name to the Nashville International Center for Empowerment, Inc. (NICE) effective April 6, 2010.

**Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2010**

NOTE C—ACCOUNTS RECEIVABLE

All receivables outstanding at December 31, 2010 were for grant reimbursement requests. Management believes them to be 100 percent collectible.

NOTE D—PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

Furniture and fixtures	\$ 6,155
Computers and peripherals	52,948
Program Equipment	2,915
Accumulated depreciation	<u>(11,383)</u>
Book value	<u>\$ 50,635</u>

Depreciation expense for 2009 was \$4,274.

NOTE E – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of the following as of December 31:

Adult education	\$ 5,952
Youth development	<u>10,000</u>
Total	<u>\$15,952</u>

NICE had no permanently restricted net assets in 2010.

NOTE F – DESCRIPTION OF LEASING ARRANGEMENTS

NICE occupies a suite of office-type space comprised of approximately 1,900 square feet located at 3221 Nolensville Pike, Suite 103, Nashville, Tennessee 37211. The space includes a lobby, two classrooms, three administrative offices, a child care area, a computer lab, break room, and restrooms.

NICE leases the space for \$1,200 per month which includes heating/cooling, water/sewer, and trash service. NICE pays separately for its telephone and Internet services.

NICE's current lease was signed on January 30, 2009. The lease period began February 1, 2009 and expires on January 31, 2011. The lease requires NICE to replace the carpet upon leaving and NICE estimates this will cost approximately \$4,500. NICE has established an accrued liability for this cost charged ratably over the term of the lease at the rate of \$187.50 per month. The accrued liability balance on December 31, 2010 was \$4,313. On January 31, 2011 NICE renewed the lease for one year at \$1,300 per month.

**Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2010**

Future years' lease commitments are as follows:

2011	\$15,600
2012	1,300
2013 and thereafter	<u>0</u>
Total	<u>\$16,900</u>

NOTE G—CONCENTRATION OF RISK

The organization is highly dependent on charitable contributions and grants from donors in the middle Tennessee area. If economic conditions worsen or culture changes occur in the service area these funding sources might decrease extensively and the organization would experience serious difficulty in continuing operations.