

***Nashville International Center
for Empowerment***

(A Nonprofit Corporation)

Financial Statements

With Independent Accountant's Report Thereon

FOR THE YEAR ENDED DECEMBER 31, 2011

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



H A Beasley & Company, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nashville International Center for Empowerment, Inc.

We have audited the accompanying statement of financial position of Nashville International Center for Empowerment, Inc. (a nonprofit corporation) as of December 31, 2011, 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, 2011, 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.



H A Beasley & Company, PC
Murfreesboro, Tennessee
March 15, 2012

A Positive Difference Through Professional Accounting Service

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NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Financial Position
December 31, 2011

ASSETS

Cash	\$ 106,559
Accounts receivable (NOTE C)	48,749
Prepaid expenses	42
Other current assets	11,100
Current Assets	<u>166,450</u>
Property and equipment	75,329
Less: Accumulated depreciation	<u>(25,138)</u>
Book value of property and equipment (NOTE D)	50,191
TOTAL ASSETS	<u><u>216,641</u></u>

LIABILITIES

Payroll liabilities	8,591
Other accrued liabilities (NOTE E)	24,281
Current Liabilities	<u>32,872</u>
TOTAL LIABILITIES	<u>32,872</u>

NET ASSETS

Unrestricted (NOTE F)	68,693
Temporarily restricted (NOTE F)	115,076
	<u>183,769</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 216,641</u></u>

See accompanying notes and independent auditor's report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT**Statement of Activities**

Year ended December 31, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants and donations	\$ 261,422	242,375	\$ 503,797
Program fees	22,968	-	22,968
Special events			-
	<u>284,390</u>	<u>242,375</u>	<u>526,765</u>
Released from restrictions	143,252	(143,252)	-
TOTAL REVENUE AND OTHER SUPPORT	<u>427,641</u>	<u>99,124</u>	<u>526,765</u>
EXPENSES			
Program Services	394,118	-	394,118
Supporting services			
Management and general	27,839	-	27,839
Fundraising	26,793	-	26,793
TOTAL EXPENSES	<u>448,750</u>	<u>-</u>	<u>448,750</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(21,109)</u>	<u>99,124</u>	<u>78,015</u>
Net Assets at Beginning of Year	89,802	15,952	105,754
NET ASSETS AT END OF YEAR	<u>\$ 68,693</u>	<u>115,076</u>	<u>\$ 183,769</u>

See accompanying notes and independent auditor's report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Cash Flows
Year ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 78,015
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	20,133
(Increase) decrease in operating assets:	
Accounts receivable	(26,488)
Other current assets	(11,100)
Increase (decrease) in operating liabilities:	
Other current liabilities	11,855
Payroll liabilities	4,791
TOTAL ADJUSTMENTS	<u>(809)</u>

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>77,206</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(23,042)
Disposals of property and equipment	3,353

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(19,689)</u>
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NET INCREASE (DECREASE) IN CASH	<u>57,517</u>
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CASH AT THE BEGINNING OF YEAR	49,042
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CASH AT END OF YEAR	<u><u>\$ 106,559</u></u>
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NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT
Statement of Functional Expenses
Year ended December 31, 2011

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management & General</u>	<u>Fund- raising</u>	
Compensation and related expenses				
Wages	\$ 187,794	\$ 15,343	\$ 19,580	\$ 222,717
Payroll taxes	16,062	1,312	1,675	19,049
Employee benefits	3,129	255	326	3,710
	<u>206,985</u>	<u>16,910</u>	<u>21,581</u>	<u>245,476</u>
Resettlement and placement costs	117,125	-	-	117,125
Depreciation	16,976	1,387	1,770	20,133
Rent	15,538	283	340	16,161
Travel	11,368	929	1,185	13,482
Professional services	2,531	6,823	-	9,354
Supplies	6,991	571	729	8,291
Miscellaneous	3,910	319	408	4,637
Books and reference materials	3,851	314	402	4,567
Telephone and internet	3,559	65	78	3,702
Maintenance	3,187	68	82	3,337
Printing & postage	1,016	83	106	1,205
Bank charges	523	43	54	620
Insurance	422	34	44	500
Training	95	7	10	112
Licenses, fees and penalties	41	3	4	48
	<u>\$ 394,118</u>	<u>\$ 27,839</u>	<u>\$ 26,793</u>	<u>\$ 448,750</u>

See accompanying notes and independent auditor's report.

**Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2011**

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.
- Resettlement and placement – NICE entered into an agreement in 2011 to assist with the resettlement and placement of approximately 100 refugees in the Middle Tennessee area under a U.S. Government grant administered by the Ethiopian Community Development Council.

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,

Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2011

the donors of such assets permit the Organization to use all or part of the income earned on the assets.

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, 2011 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. NICE has a policy of capitalizing individual assets that have a useful life exceeding 1 year and a cost of \$500 or more. Property and equipment are depreciated using the straight-line method.

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 statement of cash flows, the Company considers all highly liquid investments with an initial maturity of three months or less 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, 2011**

NOTE C—ACCOUNTS RECEIVABLE

All receivables outstanding at December 31, 2011 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:

Computers and peripherals	\$65,132
Furniture and fixtures	8,282
Program equipment	1,915
Accumulated depreciation	<u>(25,138)</u>
Book value	<u>\$50,191</u>

Depreciation expense for 2011 was \$20,133.

NOTE E – ACCRUED LIABILITIES

Accrued liabilities consist of the following as of December 31:

Resettlement and placement expenses	\$11,060
Accrued wages	7,246
Carpet cost per lease term (NOTE G)	3,200
Accrued services	<u>2,775</u>
Total	<u>\$24,281</u>

NOTE F – RESTRICTIONS ON NET ASSETS

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

Resettlement and placement	22,079
Employment	15,425
Adult Education	47,525
Youth	14,622
Social Adjustment	<u>15,425</u>
	<u>\$115,076</u>

NICE had no permanently restricted net assets in 2011.

**Nashville International Center for Empowerment
Notes to Financial Statements
December 31, 2011**

NOTE G – DESCRIPTION OF LEASING ARRANGEMENTS

January through October of 2011 NICE occupied 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 leased the space for \$1,200 per month.

On November 1, 2011 NICE added another 1,100 square feet to its office space by taking over adjoining space in the same building. NICE signed a new lease covering both halves of the enlarged facility for \$2,150 per month which includes heating/cooling, water/sewer and trash service. The lease period began November 1, 2011 and expires on October 31, 2012. The lease requires NICE to replace the carpet upon leaving and NICE estimates this will cost approximately \$3,200. NICE has established an accrued liability for this cost.

Future years' lease commitments are as follows:

2012	\$21,500
2013 and thereafter	<u>0</u>
Total	<u>\$21,500</u>

NOTE H – SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through March 15, 2012, which is the date the financial statements were available to be issued.

NOTE I—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.