

## JOBSONHIO AND SUBSIDIARY

### Notes to Consolidated Financial Statements

July 5, 2011 through June 30, 2012

*Temporarily restricted net assets* – Net assets that are subject to donor or grantor-imposed restrictions that may or will be met, either by actions of the Organization or by the passage of time. When a restriction expires, or the funds are expended for the intended purpose, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from restrictions. There were no temporarily restricted net assets as of June 30, 2012.

*Permanently restricted net assets* – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of JOBS. There were no permanently restricted net assets as of June 30, 2012.

JobsOhio's wholly-owned subsidiary, JOBS, is consolidated in the Organization's financial statements. All significant intercompany accounts and transactions are eliminated in consolidation.

(c) **Cash**

For purposes of the Consolidated Statement of Financial Position, the Organization considers all short-term, highly liquid investments that are readily convertible to a known amount of cash and short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

(d) **Deferred Bond Issue Costs**

Deferred bond issue costs represent costs, including professional fees, which will be amortized over the term of the related bonds to be issued in conjunction with the anticipated transfer of the State of Ohio liquor enterprise franchise to JobsOhio.

(e) **Property and Equipment**

Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Betterments and improvements of a nature considered to materially extend the useful lives of the assets are capitalized. Other maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income.

These assets consist of the following at June 30, 2012:

Accounting software	\$	739,026	(3 – 10 year useful life)
Furniture and equipment		361,826	(3 – 10 year useful life)
Leasehold improvements		366,906	(10 year amortization period)
		<u>1,467,758</u>	
Less accumulated depreciation and amortization		<u>(40,687)</u>	
	\$	<u>1,427,071</u>	