

**CHRISTIAN WOMEN'S JOB CORPS OF  
MIDDLE TENNESSEE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Christian Women's Job Corps of Middle Tennessee

We have audited the accompanying financial statements of Christian Women's Job Corps of Middle Tennessee (a Tennessee not-for-profit corporation, the "Organization"), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Organization'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 purposes of expressing an opinion on the effectiveness of the Organization'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 Christian Women's Job Corps of Middle Tennessee as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Blankenship CPA Group, PLLC*

April 16, 2013

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>ASSETS</b>		
Cash	\$ 383,203	\$ 455,094
Contributions receivable	10,777	10,400
Investments	105,099	85,113
Other assets	2,641	1,086
Furniture and equipment, net	<u>9,561</u>	<u>24,314</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 511,281</u></b>	<b><u>\$ 576,007</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 9,837	\$ 9,002
Deferred special event revenue	<u>37,300</u>	<u>52,676</u>
<b>Total Liabilities</b>	<b><u>47,137</u></b>	<b><u>61,678</u></b>
<b>NET ASSETS</b>		
Unrestricted	445,744	484,829
Temporarily restricted	17,400	28,500
Permanently restricted	<u>1,000</u>	<u>1,000</u>
<b>Total Net Assets</b>	<b><u>464,144</u></b>	<b><u>514,329</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 511,281</u></b>	<b><u>\$ 576,007</u></b>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>Changes in Unrestricted Net Assets</b>		
Revenues		
Contributions	\$ 279,437	\$ 291,885
Special event (net of direct benefits to donors of \$14,809 and \$14,270 for 2012 and 2011, respectively)	170,777	158,924
Investment and interest income	<u>8,410</u>	<u>9,956</u>
Total Unrestricted Revenues	458,624	460,765
Net assets released from restrictions	<u>89,133</u>	<u>96,361</u>
Total Unrestricted Revenues and Reclassifications	<u>547,757</u>	<u>557,126</u>
Functional Expenses		
Program services	<u>418,520</u>	<u>369,968</u>
Supporting services:		
Management and general	<u>106,339</u>	<u>107,742</u>
Fundraising	<u>51,263</u>	<u>47,533</u>
Special event direct costs	<u>10,720</u>	<u>12,480</u>
	<u>61,983</u>	<u>60,013</u>
Total Unrestricted Functional Expenses	<u>586,842</u>	<u>537,723</u>
(Decrease) increase in unrestricted net assets	<u>(39,085)</u>	<u>19,403</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Restricted contributions	78,033	97,800
Net assets released from restrictions	<u>(89,133)</u>	<u>(96,361)</u>
(Decrease) increase in temporarily restricted net assets	<u>(11,100)</u>	<u>1,439</u>
(DECREASE) INCREASE IN NET ASSETS	(50,185)	20,842
NET ASSETS, BEGINNING OF THE YEAR	<u>514,329</u>	<u>493,487</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 464,144</u></u>	<u><u>\$ 514,329</u></u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2012**

		<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>	<u>Fund-</u>	
	<u>Services</u>	<u>and</u>	<u>raising</u>	<u>Total</u>
		<u>General</u>		
Salaries and benefits	\$ 240,122	\$ 23,537	\$ 46,272	\$ 309,931
Facilities rent and utilities	105,043	35,015	-	140,058
Professional fees	-	27,520	-	27,520
Program costs	21,634	-	-	21,634
Depreciation	14,202	2,506	-	16,708
Administration	6,483	6,229	727	13,439
Telephone	9,637	2,725	1,030	13,392
Network and computer administration	6,750	2,250	-	9,000
Office supplies and equipment	3,992	2,235	2,031	8,258
GED	5,771	71	-	5,842
Janitorial	3,806	1,632	-	5,438
Insurance	-	2,255	-	2,255
Printing	1,080	364	315	1,759
Marketing and promotion	-	-	888	888
	<u>418,520</u>	<u>106,339</u>	<u>51,263</u>	<u>576,122</u>
Total expenses before special event direct costs				
Special event direct costs	-	-	17,929	17,929
Donated items - special event	-	-	7,600	7,600
Less direct benefits to donors	-	-	(14,809)	(14,809)
	<u>-</u>	<u>-</u>	<u>10,720</u>	<u>10,720</u>
Total special event direct costs				
Total expenses	<u>\$ 418,520</u>	<u>\$ 106,339</u>	<u>\$ 61,983</u>	<u>\$ 586,842</u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	Program Services	Supporting Services		Total
		Management and General	Fund- raising	
Salaries and benefits	\$ 194,324	\$ 27,062	\$ 42,969	\$ 264,355
Facilities rent and utilities	106,723	35,091	-	141,814
Professional fees	-	24,323	-	24,323
Program costs	11,812	-	-	11,812
Depreciation	15,076	2,660	-	17,736
Administration	6,614	5,567	104	12,285
Telephone	6,085	3,196	964	10,245
Network and computer administration	6,750	2,250	-	9,000
Office supplies and equipment	10,825	3,222	3,252	17,299
GED	6,656	37	-	6,693
Janitorial	2,719	2,719	-	5,438
Insurance	-	1,271	-	1,271
Printing	2,384	344	135	2,863
Marketing and promotion	-	-	109	109
 Total expenses before special event direct costs	 369,968	 107,742	 47,533	 525,243
Special event direct costs	-	-	18,250	18,250
Donated items - special event	-	-	8,500	8,500
Less direct benefits to donors	-	-	(14,270)	(14,270)
 Total special event direct costs	 -	 -	 12,480	 12,480
 Total expenses	 \$ 369,968	 \$ 107,742	 \$ 60,013	 \$ 537,723

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Decrease) increase in net assets	\$ (50,185)	\$ 20,842
Adjustments to reconcile (decrease) increase in net assets to net cash (used) provided by operating activities		
Depreciation	16,708	17,736
Unrealized gain on investments	(3,543)	(4,246)
Increase in		
Contributions receivable	(377)	(1,633)
Other assets	(1,555)	(538)
Increase (decrease) in		
Accounts payable and accrued expenses	835	2,473
Deferred special event revenue	<u>(15,376)</u>	<u>14,190</u>
Net Cash (Used) Provided by Operating Activities	<u>(53,493)</u>	<u>48,824</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the maturity of certificates of deposit	-	107,675
Purchase of certificates of deposit and reinvestment of interest	-	(1,164)
Purchase of investments	(16,443)	(14,904)
Purchase of furniture and equipment	<u>(1,955)</u>	<u>-</u>
Net Cash (Used) Provided by Investing Activities	<u>(18,398)</u>	<u>91,607</u>
Net (Decrease) Increase in Cash	(71,891)	140,431
CASH, BEGINNING OF THE YEAR	<u>455,094</u>	<u>314,663</u>
CASH, END OF THE YEAR	<u><u>\$ 383,203</u></u>	<u><u>\$ 455,094</u></u>

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



**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Established in 1997, Christian Women's Job Corps of Middle Tennessee (the "Organization") is a poverty reduction program, which implements the best practices for reducing the effect of poverty on individuals and on our community, by creating positive outcomes through a faith based educational program and a life changing community. The mission is to empower individuals to overcome the obstacles caused by poverty by providing education, mentoring and resources.

Education, training and mentoring is provided to low income working women and men seeking basic skills necessary for employment and a self-sufficient life.

At no cost to the student, the holistic program provides an individual the support and knowledge to change their circumstances and their lives. As they obtain the education, skills and support to overcome the obstacles in their lives, they will begin "A Journey to A Brighter Future"

Four program tracks are available to CWJC students; GED, Computer and Job Skills, English as a Second Language, and Literacy. Additional services are provided to each student to assist in overcoming obstacle that might prevent them from reaching their education, employment or personal goal. These services include a mentor, a job coach, and child care for their children while they attend CWJC classes, and a case manager to assist with crisis which might arise in their lives. The goal for these "wrap around services" is to help students to obtain self-sufficiency through obtaining employment, job training, education, housing, transportation, childcare and medical care.

The Organization offers this holistic Poverty Reduction Adult Education Program at three satellite locations; Nashville, Madison, and Williamson County (Franklin). The demographics of our students are as follows: 39% African American, 27% Caucasian, 29% Hispanic, and 7% other nationality. Typically 75% of the students are women and 25% of the students are men. Students range in age from 18-56 with the majority between 25 and 35.

Central to the Organization's mission and ability to provide programs are volunteers who come alongside each student as a teacher, tutor, mentor, and childcare provider. Our volunteers are highly trained, supervised by a Satellite Coordinator and are as committed to their volunteer assignment as they would be if they were a staff member. Mentors meet weekly with their assigned student. There are over 250 volunteers with 2/3 serving once or twice per week for 2 to 4 hours as teachers and tutors in GED, ESL, tutoring, computer, job and life skills or as childcare providers. It is in this nurturing environment that students are facing the challenges of life, setting personal and educational goals for themselves and their children and succeeding in reaching them.

The Organization is primarily supported by donations from churches, individuals, corporations and special fundraising events.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Use of Estimates**

The preparation of financial statements in conformity 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, liabilities and changes therein and the disclosures of commitments and contingencies. Actual results could differ from those estimates.

**Income Taxes**

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the tax laws of the state of Tennessee. Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2012, no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2009.

**Cash**

Cash consists of checking and money market deposits in financial institutions.

**Contributions**

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. The Organization uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributed Services

Various volunteers donate many hours to the Organization's program services and fundraising campaigns. These contributed services are not reflected in the financial statements since the services do not require specialized skills.

Investments

Investments are composed of certificates of deposit, equity securities, and mutual funds and are valued at quoted fair market price.

Furniture and Equipment and Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for furniture and equipment in excess of \$1,000. Donations of furniture and equipment are recorded as revenues at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities and changes in net assets for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful life of three years and is computed on the straight-line method.

Deferred Special Event Revenue

Deferred special event revenue represents proceeds received in advance, net of related prepaid expenses, for the Organization's annual fundraiser which are not considered earned by the Organization (or expenses incurred) until after the event has been held.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable are considered current since they are expected to be collected within one year. No allowance for uncollectible receivables was deemed necessary as of December 31, 2012 and 2011.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 - INVESTMENTS**

- The Organization's investments consist of the following at December 31:

	2012	2011
Cash funds	\$ 12,894	\$ 361
Preferred stock	24,649	19,784
Mutual funds	<u>67,556</u>	<u>64,968</u>
	<u>\$ 105,099</u>	<u>\$ 85,113</u>

The cash funds, preferred stock, and mutual funds are held by the Tennessee Baptist Foundation for the establishment of an endowment. Total investment income on these investments in endowment was \$7,646 and \$6,863 for 2012 and 2011, respectively. This investment income includes realized and unrealized gains of \$3,543 and \$4,246 for 2012 and 2011, respectively. See Note 6 for information regarding the endowment.

Accounting principles generally accepted in the United States of America require the Organization to disclose the basis for considering market participant assumptions in fair value measurements. Fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Organization does not have any fair value measurements using level 3 inputs as of December 31, 2012 and 2011.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 5 - FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following at December 31:

	<b>2012</b>	<b>2011</b>
Leasehold improvements	\$ 37,185	\$ 37,185
Equipment - computers	26,086	26,086
Equipment - office	6,589	4,634
Software	<u>32,408</u>	<u>32,408</u>
	102,268	100,313
 Accumulated depreciation	 <u>(92,707)</u>	 <u>(75,999)</u>
	 <u><u>\$ 9,561</u></u>	 <u><u>\$ 24,314</u></u>

Depreciation expense was \$16,708 and \$17,736 for the years ended December 31, 2012 and 2011, respectively.

**NOTE 6 - RESTRICTIONS ON NET ASSETS**

The temporarily restricted net assets at year-end consist of contributions made for specific projects or programs. These net assets will be released from restrictions when the funds are used for the purpose designated by the donor.

Unrestricted net assets are available for various programs and administration of the Organization. Within unrestricted net assets, the Organization has designated funds for an endowment.

The permanently restricted net assets at year-end consist of contributions made to start the endowment fund. Currently, the earnings on the invested funds are being added to the designated portion of the endowment fund until such time the balance is sufficient to begin using the earnings for operations. The Organization made contributions to the unrestricted – designated portion of the endowment of \$12,340 and \$12,287 during 2012 and 2011, respectively. The funds are held with the Tennessee Baptist Foundation as described in Note 4.

The balance in the endowment fund is as follows as of December 31:

	<b>2012</b>	<b>2011</b>
Unrestricted – designated	\$ 104,099	\$ 84,113
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u><u>\$ 105,099</u></u>	<u><u>\$ 85,113</u></u>

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 7 - LEASE OBLIGATIONS**

The Organization has entered into a lease with The Next Door, Inc. ("TND"), a not-for-profit organization (formally known as the Downtown Ministry Center), for the fifth floor premises of a building located in downtown Nashville at which the Organization conducts its programs. The building is owned by First Baptist Church Nashville which, in turn, leases the building to TND. The sublease calls for monthly payments of \$600 to cover utilities as well as payments for other shared building expenses. The lease expired on June 30, 2011 and is now operating on a month-to-month basis. Additional in-kind contributions have been included in the financial statements for this lease.

The Organization also has leases with two churches that provide office and classroom space for programming at no charge. The value of these leases has been included in the in-kind contributions described in Note 8.

**NOTE 8 - DONATED SERVICES AND MATERIALS**

The following donated services and materials have been included in unrestricted revenues and expenses/assets in the financial statements for the years ended December 31:

	2012	2011
Included in contributions/expenses:		
Rent	\$ 131,631	\$ 131,631
Educational materials	10,000	-
Network and computer administration	9,000	9,000
Janitorial services	5,438	5,438
Interns	1,000	1,000
Automobile	5,320	-
 Included in Special event revenues and Special event direct costs	 <u>7,600</u>	 <u>8,500</u>
	<u>\$ 169,989</u>	<u>\$ 155,569</u>

**NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS**

These financial statements include the consideration and impact of subsequent events through April 16, 2013, which is the date the financial statements were available to be issued.