

WILLIAM T. CONTE, JR.
CERTIFIED PUBLIC ACCOUNTANT
8070 REGENCY DRIVE
NASHVILLE, TENNESSEE 37221-1844
Phone (615) 646-6245

Board of Directors
Ladies of Charity Welfare Agency, Inc.
2212 State Street
Nashville, TN. 37203

Ladies:

Independent Auditor's Report

I have audited the accompanying statement of Financial Position of Ladies of Charity Welfare Agency, Inc., as of December 31, 2008, and the related statements of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Ladies of Charity Welfare Agency, Inc., as of December 31, 2008, and the results of its activities for the year then ended in conformity with generally accepted accounting principles. I do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come, save where expressly agreed by my prior consent in writing.

Sincerely,

William T. Conte, Jr. CPA

June 19, 2009

Ladies of Charity Welfare Agency, Inc.
2212 State Street
Nashville, Tennessee 37203

STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

Current assets

Cash \$ 120,375.05

Total current assets 120,375.05

FIXED ASSETS

Furniture and equipment 4,327.89

Less accumulated depreciation (1,719.00)

Total fixed assets 2,608.89

Total assets 122,983.94

LIABILITIES

Current liabilities

Accrued FIT and FICA 1,001.48

Charitable Deductions Payable 266.66

Total current liabilities 1,268.14

FUND BALANCE

Fund Balance - prior year 147,085.16

Net Increase - current year (25,369.36)

TOTAL FUND BALANCE 121,715.80

TOTAL LIABILITIES AND FUND BALANCE \$ 122,983.94

Accompanying notes are an integral part
of these financial statements

Ladies of Charity Welfare Agency, Inc.
2212 State Street
Nashville, Tennessee 37203

STATEMENT OF ACTIVITIES
For the year ending December 31, 2008

REVENUES

Direct public support	\$ 52,706.80
Support from United Way	73,085.52
Support from Ladies of Charity	96,000.00
Other indirect support	24,950.56
NES allocation	<u>20,398.00</u>
Total revenues	267,140.88

PROGRAM SERVICES

Assistance - food & medicine	26,288.74
Assistance - rent	50,910.04
Assistance - electric	108,551.48
Assistance - gas	7,018.00
Assistance - water	14,156.59
Assistance - layettes & other	785.05
Assistance - funeral	<u>3,625.00</u>
Total program costs	211,334.90

Available for operating expenses 55,805.98

OPERATING EXPENSES

Salaries and wages	43,559.30
Payroll taxes	3,585.84
Benefits	2,985.87
Utilities	10,648.47
Office expense	1,611.78
Bank service charge	36.00
Legal and professional	6,625.00
Purchased services and security	1,550.60
Telephone	7,457.76
Postage	659.00
Local Taxes	325.00
Advertising	1,378.72
Depreciation	<u>752.00</u>

Total operating expenses 81,175.34

NET INCREASE < DECREASE > (\$ 25,369.36)

Accompanying notes are an integral part
of these financial statements

Ladies of Charity Welfare Agency, Inc.
2212 State Street
Nashville, Tennessee 37203

STATEMENT OF CASH FLOWS

For the year ending December 31, 2008

Cash as of January 1, 2008	\$ 147,039.11
Additional cash provided by:	
Increase in accrued expenses	<u>59.14</u>
Total cash available	147,098.25
Cash was used for:	
Operations (net of depreciation)	24,617.36
Purchase of equipment	<u>2,105.84</u>
Total uses of cash	26,723.20
Cash as of December 31, 2008	\$ <u>120,375.05</u>

Accompanying notes are an integral part
of these financial statements

Notes to Financial Statements

Ladies of Charity Welfare Agency, Inc.

For the year ended December 31, 2008

1. Significant accounting policies and principles

Ladies of Charity Welfare Agency, Inc., is a not for profit organization which is exempt from federal income tax as provided for in the Internal Revenue Code Section 501(C)3 for charitable organizations.

The Agency uses fund accounting to record cash receipts and disbursements. Fund accounting is a generally accepted accounting principle which is used by non profit entities to demonstrate stewardship of funds entrusted to their care. Thus there is no retained earnings or equity account such as would be found in a commercial enterprise. The agency also uses the accrual method of accounting to recognize revenue when earned and expenses when incurred.

2. Organizational structure and governance

The Ladies of Charity Welfare Agency, Inc., is a non-denominational charitable agency which was founded by the Ladies of Charity of Nashville, Inc., a non-profit Catholic women's civic and social club which engages in philanthropic activities. The Agency provides services without regard to race, creed or nationality. The executive board of the Ladies of Charity of Nashville, Inc., is also the board of directors of the Ladies of Charity Welfare Agency, Inc.

3. Primary function and activities

The Ladies of Charity Welfare Agency, Inc., provides emergency assistance to individuals and families who cannot be serviced immediately by other social service agencies. For example, it administers funds provided for Nashville Electric Service to assist needy persons with their electric bills.

The Agency receives public support primarily through the Ladies of Charity of Nashville, Inc., and the United Way of Middle Tennessee with a small amount of direct public contributions. The Agency is currently seeking funding

from a number of foundations in order to broaden its base of support.

The Agency uses all of its funds in direct program services. All administrative and fund raising expenses are assumed by the Ladies of Charity of Nashville, Inc.

4. Dealings with related parties

The Ladies of Charity Welfare Agency, Inc. is completely controlled by the Ladies of Charity of Nashville, Inc. The facilities, building and furnishings are supplied by the Ladies of Charity of Nashville, Inc. Ladies of Charity provides fundraising and administrative support to the Agency.