

**CHRISTIAN WOMEN'S JOB CORPS OF  
MIDDLE TENNESSEE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

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# BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Christian Women's Job Corps of Middle Tennessee (a Tennessee not-for-profit corporation, the "Organization") as of December 31, 2008 and 2007 and the related statements of activities, functional expenses and cash flows for the years 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 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 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 audits provide 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 Christian Women's Job Corps of Middle Tennessee as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Blankenship CPA Group, PLLC*

May 9, 2009

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2008 AND 2007**

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 220,066	\$ 381,120
Contributions receivable	14,775	2,400
Investments	288,130	152,792
Other assets	8,005	3,003
Furniture and equipment, net	<u>32,709</u>	<u>8,245</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 563,685</u></b>	<b><u>\$ 547,560</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,299	\$ 5,834
Deferred special event revenue	<u>35,150</u>	<u>78,989</u>
<b>Total Liabilities</b>	<b><u>42,449</u></b>	<b><u>84,823</u></b>
<b>NET ASSETS</b>		
Unrestricted	512,595	401,737
Temporarily restricted	7,641	60,000
Permanently restricted	<u>1,000</u>	<u>1,000</u>
<b>Total Net Assets</b>	<b><u>521,236</u></b>	<b><u>462,737</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 563,685</u></b>	<b><u>\$ 547,560</u></b>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
<b>Changes in Unrestricted Net Assets</b>		
Revenues		
Contributions	\$ 295,582	\$ 222,235
Special event	192,489	143,980
ATR receipts	515	4,009
Investment income	<u>6,052</u>	<u>5,814</u>
Total Unrestricted Revenues	494,638	376,038
Net assets released from restrictions	<u>60,000</u>	<u>5,000</u>
Total Unrestricted Revenues and Reclassifications	<u>554,638</u>	<u>381,038</u>
Functional Expenses		
Program services	<u>279,769</u>	<u>190,821</u>
Supporting services:		
Management and general	<u>86,140</u>	<u>90,160</u>
Fundraising	<u>52,412</u>	<u>21,748</u>
Special events direct costs	<u>25,459</u>	<u>26,438</u>
	<u>77,871</u>	<u>48,186</u>
Total Unrestricted Functional Expenses	<u>443,780</u>	<u>329,167</u>
Increase in unrestricted net assets	<u>110,858</u>	<u>51,871</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Restricted contributions	7,641	60,000
Net assets released from restrictions	<u>(60,000)</u>	<u>(5,000)</u>
(Decrease) increase in temporarily restricted net assets	<u>(52,359)</u>	<u>55,000</u>
INCREASE IN NET ASSETS	58,499	106,871
NET ASSETS, BEGINNING OF THE YEAR	<u>462,737</u>	<u>355,866</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 521,236</u></u>	<u><u>\$ 462,737</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, 2008**

		<b>Supporting Services</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Fund- raising</b>	<b>Total</b>
Salaries and benefits	\$ 139,278	\$ 17,643	\$ 38,862	\$ 195,783
Facilities rent and utilities	93,737	32,360	8,000	134,097
Professional fees	-	22,972	-	22,972
Program costs	17,506	-	-	17,506
Depreciation	8,430	2,810	1,000	12,240
Network and computer administration	5,050	2,500	1,450	9,000
Office supplies and equipment	3,929	1,227	714	5,870
Telephone	2,659	1,348	1,348	5,355
Administration	1,640	3,041	232	4,913
Janitorial	1,840	1,840	408	4,088
GED	2,831	-	-	2,831
Printing	1,770	76	76	1,922
Insurance	1,099	323	322	1,744
ATR costs	-	-	-	-
<b>Total expenses before special event direct costs</b>	<b>279,769</b>	<b>86,140</b>	<b>52,412</b>	<b>418,321</b>
Donated items - special event	-	-	9,490	9,490
Special event direct cost	-	-	15,969	15,969
<b>Total special event direct costs</b>	<b>-</b>	<b>-</b>	<b>25,459</b>	<b>25,459</b>
<b>Total expenses</b>	<b>\$ 279,769</b>	<b>\$ 86,140</b>	<b>\$ 77,871</b>	<b>\$ 443,780</b>

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, 2007**

	Program Services	Supporting Services		Total
		Management and General	Fund- raising	
Salaries and benefits	\$ 91,289	\$ 38,513	\$ 12,837	\$ 142,639
Facilities rent and utilities	51,035	32,360	8,000	91,395
Professional fees	-	3,500	-	3,500
Program costs	23,785	-	-	23,785
Depreciation	1,886	629	-	2,515
Network and computer administration	4,500	4,500	-	9,000
Office supplies and equipment	3,942	3,942	328	8,212
Telephone	1,813	1,813	152	3,778
Administration	3,314	3,314	277	6,905
Janitorial	3,066	1,022	-	4,088
GED	3,565	-	-	3,565
Printing	153	153	154	460
Insurance	1,243	414	-	1,657
ATR costs	1,230	-	-	1,230
 Total expenses before special event direct costs	 190,821	 90,160	 21,748	 302,729
 Donated items - special event	 -	 -	 9,980	 9,980
Special event direct cost	-	-	16,458	16,458
 Total special event direct costs	 -	 -	 26,438	 26,438
 Total expenses	 \$ 190,821	 \$ 90,160	 \$ 48,186	 \$ 329,167

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, 2008 AND 2007**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 58,499	\$ 106,871
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities		
Depreciation	12,240	2,515
Donation of software	(31,582)	-
Donation of equity securities	-	(3,989)
Unrealized loss on investments	6,235	283
(Increase) decrease in contributions receivable	(12,375)	5,891
Increase in other assets	(5,002)	(495)
Increase in accounts payable and accrued expenses	1,465	5,434
(Decrease) increase in deferred special event support	<u>(43,839)</u>	<u>49,114</u>
Net Cash (Used) Provided by Operating Activities	<u>(14,359)</u>	<u>165,624</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sell of investments	9,497	10,967
Proceeds from the maturity of certificates of deposit	139,375	50,630
Purchase of certificates of deposit	(254,022)	(150,000)
Purchase of investments	(36,423)	(9,567)
Purchase of furniture and equipment	<u>(5,122)</u>	<u>(9,086)</u>
Net Cash Used by Investing Activities	<u>(146,695)</u>	<u>(107,056)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(161,054)	58,568
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>381,120</u>	<u>322,552</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 220,066</u></u>	<u><u>\$ 381,120</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, 2008 AND 2007**

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

Christian Women's Job Corps of Middle Tennessee (the "Organization") is a Tennessee not-for-profit corporation that was chartered on February 4, 2003 to provide employment and life skills training and advocacy to women in poverty, particularly to women transitioning back into society after crisis situations. The Organization's primary program components include life and job skills training, computer education, GED preparation, and Bible study and spiritual support. Prior to the Organization's formation, its program was conducted as a ministry of the Nashville Baptist Association through the Women's Missionary Union. The Organization provides its services to women within the middle Tennessee area. The Organization is governed by a board of directors who each serve a three-year term of office with one-third of the members rotating annually. At least half of the members of the board must be members of Southern Baptist churches. The Organization is primarily supported by donations from churches, individuals, corporations, and special fundraising events.

**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.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

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 a not-for-profit corporation 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

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

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

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.

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

Furniture and equipment acquisitions are recorded at cost. 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 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.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 3 - CONCENTRATION OF CREDIT AND MARKET RISK**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. The Organization's balance exceeded the Federal Deposit Insurance Corporation (FDIC) limit by \$211,185 at December 31, 2007.

**NOTE 4 - 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, 2008 and 2007.

**NOTE 5 - INVESTMENTS**

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

	2008	2007
Certificates of deposit	\$ 250,775	\$ 136,129
Equity securities	-	3,989
Investments in Endowment:		
Cash funds	90	-
U.S. Government Agency Obligations	11,955	5,245
Preferred stock	2,510	-
Growth mutual funds	<u>22,800</u>	<u>7,429</u>
	<u>\$ 288,130</u>	<u>\$ 152,792</u>

The certificates of deposit have maturity dates of 12 months or less and bear interest rates ranging from 3.5% to 4.5%.

The equity securities originated from contributions and were sold in 2008. There are no unrealized gains or losses at December 31, 2008 or 2007.

The cash funds, U.S. Government agency obligations, preferred stock, and growth mutual funds are held by the Tennessee Baptist Foundation for the establishment of an endowment. Total loss for 2008 was \$5,421 consisting of \$814 of investment income and unrealized losses of \$6,235. Total income for 2007 was \$175 consisting of \$458 of investment income and unrealized losses of \$283. See Note 7 for information regarding the endowment.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 6 - FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following at December 31:

	2008	2007
Leasehold improvements	\$ 37,185	\$ 37,185
Equipment - computers	7,278	7,278
Equipment - office	4,634	4,634
Software	<u>39,237</u>	<u>2,534</u>
	88,334	51,631
Accumulated depreciation	<u>(55,625)</u>	<u>( 43,386)</u>
	<u>\$ 32,709</u>	<u>\$ 8,245</u>

Depreciation expense was \$12,240 and \$2,515 for the years ended December 31, 2008 and 2007, respectively.

**NOTE 7 - RESTRICTIONS ON NET ASSETS**

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

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 funds are held with the Tennessee Baptist Foundation as described in Note 5.

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

	2008	2007
Unrestricted – designated	\$ 36,355	\$ 11,060
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u>\$ 37,355</u>	<u>\$ 12,060</u>

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 8 - 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 called for monthly rates of \$400 to cover operating expenses. At December 31, 2007, the lease was renewed through June 30, 2011 with a monthly rate of \$600. The lease may be cancelled by either party with six months written notice.

**NOTE 9 - 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:

	<b>2008</b>	<b>2007</b>
Included in contributions/expenses:		
Network and computer administration	\$ 9,000	\$ 9,000
Janitorial services	4,088	4,088
Interns	720	4,020
Program costs	13,000	13,305
Rent	126,897	84,195
 Included in Special event income and Special event direct costs	 9,490	 9,980
 Included in contributions/assets:		
Other assets	5,500	-
Software	<u>31,582</u>	<u>-</u>
	<u><b>\$ 200,277</b></u>	<u><b>\$ 124,588</b></u>