

**CHRISTIAN WOMEN'S JOB CORPS OF
MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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FINANCIAL STATEMENTS
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Independent Auditors' Report

To the Board of Directors

Christian Women's Job Corps of Middle Tennessee (D/B/A Begin Anew of Middle Tennessee)

Report on the Financial Statements

We have audited the accompanying financial statements of Christian Women's Job Corps of Middle Tennessee (D/B/A Begin Anew of Middle Tennessee), a Tennessee not-for-profit corporation, which comprise the statements of financial position as of December 31, 2018 and 2017, the related statements of activities, 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 from 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 entity'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 purpose of expressing an opinion on the effectiveness of the entity'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 (D/B/A Begin Anew of Middle Tennessee) as of December 31, 2018 and 2017, 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

Blankenship CPA Group, PLLC
Brentwood, Tennessee
June 30, 2019

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
Cash	\$ 104,281	\$ 489,104
Contributions receivable	41,540	58,385
Investments	451,421	201,820
Other assets	3,368	3,597
Furniture and equipment, net	<u>5,271</u>	<u>15,432</u>
TOTAL ASSETS	<u><u>\$ 605,881</u></u>	<u><u>\$ 768,338</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 5,577	\$ 5,782
Deferred special event revenue	<u>65,758</u>	<u>83,904</u>
Total Liabilities	<u>71,335</u>	<u>89,686</u>
NET ASSETS		
Without donor restrictions	468,579	488,972
With donor restrictions	<u>65,967</u>	<u>189,680</u>
Total Net Assets	<u>534,546</u>	<u>678,652</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 605,881</u></u>	<u><u>\$ 768,338</u></u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Changes in Net Assets Without Donor Restrictions		
Revenues		
Contributions and grants	\$ 325,118	\$ 321,886
Special event (net of direct benefits to donors of \$19,529 and \$17,590 for 2018 and 2017, respectively)	258,142	215,141
Investment and interest income	<u>838</u>	<u>15,748</u>
Total revenues without donor restrictions	584,098	552,775
Net assets released from restrictions	<u>186,630</u>	<u>256,892</u>
Total revenues and other support without donor restrictions	<u>770,728</u>	<u>809,667</u>
Expenses		
Program services	<u>652,334</u>	<u>641,684</u>
Supporting services:		
Management and general	<u>87,299</u>	<u>91,139</u>
Fundraising	<u>61,931</u>	<u>91,993</u>
Special event direct costs	<u>10,357</u>	<u>15,026</u>
	<u>72,288</u>	<u>107,019</u>
Total Expenses	<u>811,921</u>	<u>839,842</u>
Decrease in net assets without donor restrictions	<u>(41,193)</u>	<u>(30,175)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	83,717	152,380
Net assets released from restrictions	<u>(186,630)</u>	<u>(256,892)</u>
Decrease in net assets with donor restrictions	<u>(102,913)</u>	<u>(104,512)</u>
DECREASE IN NET ASSETS	(144,106)	(134,687)
NET ASSETS, BEGINNING OF THE YEAR	<u>678,652</u>	<u>813,339</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 534,546</u></u>	<u><u>\$ 678,652</u></u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

		Supporting Services		
	Program Services	Management and General	Fund- raising	Total
Salaries and benefits	\$ 468,991	\$ 27,511	\$ 47,672	\$ 544,174
Facilities rent and utilities	101,610	3,200	3,300	108,110
Professional fees	-	33,753	-	33,753
Student needs	14,455	-	-	14,455
GED/literacy materials	12,413	-	-	12,413
Network and computer administration	4,802	2,378	3,359	10,539
Depreciation	8,000	1,081	1,080	10,161
Office supplies, software and equipment	8,391	1,531	42	9,964
Volunteer recognition	4,201	4,154	-	8,355
Travel	6,389	883	929	8,201
Marketing and promotion	2,223	2,322	3,569	8,114
Telephone	6,066	1,101	766	7,933
Printing	3,375	2,702	1,156	7,233
Miscellaneous	1,906	4,331	-	6,237
Insurance	2,780	1,638	-	4,418
Staff development	2,410	374	20	2,804
WMU scholarship	2,099	-	-	2,099
Postage	1,432	340	38	1,810
Program supplies	791	-	-	791
Total expenses before special event direct costs	<u>652,334</u>	<u>87,299</u>	<u>61,931</u>	<u>801,564</u>
Special event direct costs	-	-	22,386	22,386
Donated items - special event	-	-	7,500	7,500
Less direct benefits to donors	-	-	(19,529)	(19,529)
Total special event direct costs	<u>-</u>	<u>-</u>	<u>10,357</u>	<u>10,357</u>
Total expenses	<u>\$ 652,334</u>	<u>\$ 87,299</u>	<u>\$ 72,288</u>	<u>\$ 811,921</u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

		Supporting Services		
	Program Services	Management and General	Fund- raising	Total
Salaries and benefits	\$ 457,123	\$ 26,152	\$ 81,167	\$ 564,442
Facilities rent and utilities	109,789	2,452	3,300	115,541
Professional fees	-	32,402	-	32,402
Student needs	2,659	-	-	2,659
GED/literacy materials	13,280	-	-	13,280
Network and computer administration	4,603	5,609	2,904	13,116
Depreciation	11,466	637	637	12,740
Office supplies, software and equipment	7,844	2,739	184	10,767
Volunteer recognition	1,473	722	-	2,195
Travel	8,964	1,523	1,188	11,675
Marketing and promotion	-	7,384	36	7,420
Telephone	5,918	911	695	7,524
Printing	3,588	786	1,677	6,051
Miscellaneous	1,556	6,103	30	7,689
Insurance	2,000	2,752	-	4,752
Staff development	3,099	648	175	3,922
WMU scholarship	4,626	-	-	4,626
Postage	1,385	319	-	1,704
Program supplies	2,311	-	-	2,311
 Total expenses before special event direct costs	 641,684	 91,139	 91,993	 824,816
Special event direct costs	-	-	25,116	25,116
Donated items - special event	-	-	7,500	7,500
Less direct benefits to donors	-	-	(17,590)	(17,590)
 Total special event direct costs	 -	 -	 15,026	 15,026
 Total expenses	 \$ 641,684	 \$ 91,139	 \$ 107,019	 \$ 839,842

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (144,106)	\$ (134,687)
Adjustments to reconcile decrease in net assets to net cash used in operating activities		
Depreciation	10,161	12,740
Unrealized loss (gain) on investments	8,258	(9,503)
Change in operating assets		
Contributions receivable	16,845	101,758
Other assets	229	1,438
Change in operating liabilities		
Accounts payable and accrued expenses	(205)	197
Deferred special event revenue	(18,146)	16,754
	<u>(126,964)</u>	<u>(11,303)</u>
Net Cash Used in Operating Activities		
	<u>(126,964)</u>	<u>(11,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	1,000	1,000
Purchase of investments	(5,390)	(5,457)
Purchases of certificates of deposit	(253,469)	-
Purchase of furniture and equipment	-	(1,714)
	<u>(257,859)</u>	<u>(6,171)</u>
Net Cash Used in Investing Activities		
	<u>(257,859)</u>	<u>(6,171)</u>
Net Decrease in Cash	(384,823)	(17,474)
CASH, BEGINNING OF THE YEAR	<u>489,104</u>	<u>506,578</u>
CASH, END OF THE YEAR	<u><u>\$ 104,281</u></u>	<u><u>\$ 489,104</u></u>

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

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 1 - NATURE OF ACTIVITIES

Christian Women's Job Corps of Middle Tennessee (DBA Begin Anew of Middle Tennessee), the Organization, was established in 1997 and is a Tennessee not-for-profit corporation. Begin Anew empowers individuals to overcome obstacles caused by poverty by providing education, mentoring, and resources.

The Organization provides three education tracks to students: HiSET (High School Equivalency Test), Computer and Job Skills, and ESL (English as a Second Language). In addition, the Organization offers free childcare while students are taking classes, connects students with a mentor, and seeks to create a safe community that cares for one another.

The Organization serves students over the age of 18 in six programs at four locations across Middle Tennessee: Madison (Men and Women), Nashville, Williamson Co. (Men and Women), and Woodbine. A program director oversees the volunteers and students at each location by providing oversight, training, and direction. Each location holds classes for two hours on two evenings per week. Williamson Co. provides an additional daytime class on Thursday from 9am-noon. Approximately 300 volunteers serve with the Organization as tutors, teachers, mentors, childcare workers, meal preparers, and greeters. The Organization collaborates with other non-profits to meet additional needs of students outside the realm of education and mentoring.

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 financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments

Investments are composed of fixed income securities and mutual funds and are valued at quoted fair value.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment

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 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 to seven 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 occurred.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

In-kind Donations

Various volunteers donate many hours to the Organization's program services and fundraising campaigns. These contributed services are not reflected in the financial statements because the activities do not meet the necessary criteria for recognition under US GAAP. Property, equipment, materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of contribution based upon information provided by third-party providers.

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.

Functional Expenses

The costs of providing various program and supporting services of the Organization have been summarized on a functional basis. Accordingly, certain expenses have been allocated among program, management and general, and fundraising expenses. Expenses requiring allocation on the statements of functional expenses are allocated based on management's estimate of time and effort spent.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-14 Not-for-Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018:

Financial assets at year end:	
Cash	\$ 104,281
Contributions receivable	41,540
Investments	<u>451,421</u>
	<u>597,242</u>
Less amounts not available to be used within one year:	
Investments designated for scholarships	31,542
Investments designated/restricted for reserves	<u>166,410</u>
	<u>197,952</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 399,290</u>

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

The Organization provides an allowance for estimated losses on contributions receivable in the period deemed uncollectible. No allowance was deemed necessary as of December 31, 2018 and 2017. Contributions receivable are considered current since they are expected to be collected within one year.

NOTE 5 - INVESTMENTS

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

	2018	2017
Held with Tennessee Baptist Foundation		
Cash funds	\$ 7,118	\$ 6,370
Fixed income funds	49,211	46,370
Mutual funds	<u>110,081</u>	<u>115,868</u>
	<u>166,410</u>	<u>168,608</u>
Certificates of deposit	<u>253,469</u>	<u>-</u>
Held with a Broker		
Cash funds	915	1,802
Fixed income funds	21,730	21,365
Mutual funds	<u>8,897</u>	<u>10,045</u>
	<u>31,542</u>	<u>33,212</u>
Total investments	<u>\$ 451,421</u>	<u>\$ 201,820</u>

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 5 - INVESTMENTS (CONTINUED)

The investments held by the Tennessee Baptist Foundation are for the establishment of a general, unrestricted operational endowment. Total investment (loss) income, net of fees, on these investments was (\$2,198) and \$12,813 for 2018 and 2017, respectively. This investment income includes realized and unrealized (losses) gains of (\$7,847) and \$7,083 for 2018 and 2017, respectively. See Note 7 for information regarding this endowment.

The certificates of deposit consist of two deposits with a local bank. These instruments have a maturity date ranging from six to 10 months.

The investments held with a Broker are for a scholarship endowment. Total investment income (loss), net of fees, on these investments was (\$669) and \$2,148 for 2018 and 2017, respectively. This investment income includes realized and unrealized (losses) gains of (\$411) and \$2,420 for 2018 and 2017, respectively. See Note 7 for information regarding this 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). All of the Organization's investments are valued using Level 1 inputs except for the fixed income funds which are valued using Level 2 inputs.

NOTE 6 - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31:

	2018	2017
Equipment - computers	\$ 58,405	\$ 60,556
Software	26,524	26,524
Equipment - office	<u>1,049</u>	<u>1,049</u>
	85,978	88,129
Accumulated depreciation	<u>(80,707)</u>	<u>(72,697)</u>
	<u><u>\$ 5,271</u></u>	<u><u>\$ 15,432</u></u>

Depreciation expense was \$10,161 and \$12,740 for the years ended December 31, 2018 and 2017, respectively.

NOTE 7 - NET ASSETS

Net assets without donor restrictions are available for the Organization's various programs and administration. Within net assets without donor restrictions, the Organization has designated funds for two endowments, one of which also has a permanently restricted component.

Net assets without donor restrictions consist of the following at December 31:

	2018	2017
Undesignated net assets without donor restrictions	\$ 271,627	\$ 288,152
General, operational endowment	165,410	167,608
Scholarship endowment	<u>31,542</u>	<u>33,212</u>
	<u><u>\$ 468,579</u></u>	<u><u>\$ 488,972</u></u>

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 7 - NET ASSETS (CONTINUED)

The general, operational endowment consists of a donor restricted contribution and funds designated by the Organization's board of directors. No contributions were made during 2018 and 2017. Currently, the earnings on the invested funds are being added to the designated portion of the endowment fund for future use and stability. The funds are held with the Tennessee Baptist Foundation as described in Note 5.

The scholarship endowment (known as the Dawn Ferguson Scholarship) was funded during 2015 with memorial contributions that were designated by the board of directors to honor a longtime volunteer. The Organization plans to use the endowment to assist applicants with attending accredited educational institutions or to fund the Organization's classroom activities. There were no contributions made to this fund during 2018 and 2017. During 2017, \$1,000 was transferred to operations to fund classroom activities. The funds are held with a broker as described in Note 5.

Net assets with donor restrictions consist of contributions made for specific projects or programs or are restricted by time. These net assets will be released from restrictions when the funds are used for the purpose designated by the donor.

Net assets with donor restrictions consist of the following at December 31:

	2018	2017
Restricted for future periods	\$ 51,967	\$ 56,880
Restricted for programs	13,000	131,800
Held in perpetuity, income is expendable		
General, operational endowment	<u>1,000</u>	<u>1,000</u>
	<u><u>\$ 65,967</u></u>	<u><u>\$ 189,680</u></u>

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:

	2018	2017
Included in contributions/expenses:		
Rent	\$ 89,510	\$ 95,428
Teaching, instruction and work study	16,434	25,209
Automobiles	7,800	2,569
Marketing	3,500	3,000
Printing	1,875	1,677
Network and computer administration	1,500	2,332
Computer	700	-
Editing	500	484
Photographer	150	176
Car repairs	90	90
Included in special event revenues and special event direct costs	<u>7,500</u>	<u>7,500</u>
	<u><u>\$ 129,559</u></u>	<u><u>\$ 138,465</u></u>

**CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
(D/B/A BEGIN ANEW OF MIDDLE TENNESSEE)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 - DONATED SERVICES AND MATERIALS (CONTINUED)

Various program assistance for the Organization including mentoring, teaching, tutoring, child care, job coaching, fundraising, and board service was provided by volunteers of the surrounding communities. Those donated services have not been reflected in the accompanying financial statements because they did not meet the criteria for recognition.

NOTE 9 - LEASING ARRANGEMENTS

The Organization leases space for its administrative offices from the Nashville Baptist Association (NBA - see Note 8). This year-to-year lease does not require a specific rent; however, the Organization pays \$600 per month to share in covering the cost of utilities. The Organization also reimburses the NBA for any office related expenses such as copier use and postage. Additional in-kind contributions have been included in the financial statements for this lease.

The Organization also has year-to-year leases with several area churches that provide office and/or classroom space for programming. All of these leases are rent-free or at below market rates. Accordingly, the value of these leases have been included in the in-kind contributions described in Note 8.

NOTE 10 - CONCENTRATIONS

Of the Organization's total revenues for 2017, approximately 18% represents funds received from one donor.

The Organization has cash and certificate of deposit balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately \$45,000 at December 31, 2018. The Organization maintains its cash and certificates of deposit with a high quality financial institution which the Organization believes limits these risks.

NOTE 11 - RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the balance sheet. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. The Organization's adoption of the new standard in 2020 will require quantitative and qualitative financial statement disclosures regarding the Organization's lease arrangements and balance sheet presentation of right of use assets and lease liabilities representative of the Organization's discounted future lease payments. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements in the subsequent years.

In August 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 will result in treatment of most government grants as donor-restricted conditional contributions rather than exchange transactions and applies to all entities that make or receive contributions. The new standard also clarifies the criteria for evaluating whether contributions are unconditional or conditional. The Organization does not expect the timing of grant or gift revenue recognition to change significantly as a result of this ASU. The Organization will implement ASU 2018-08 in fiscal 2020.

NOTE 12 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 30, 2019 which is the date the financial statements were available to be issued.