

**CHRISTIAN WOMEN'S JOB CORPS OF
MIDDLE TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2007 AND 2006**

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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 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, 2007 and 2006 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 audit.

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, 2007 and 2006, 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.

June 11, 2008

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
Cash and cash equivalents	\$ 381,120	\$ 322,552
Contributions receivable	2,400	8,291
Investments	152,792	51,116
Prepaid expenses	2,193	2,107
Gift cards	810	401
Furniture and equipment, net	<u>8,245</u>	<u>1,674</u>
TOTAL ASSETS	<u><u>\$ 547,560</u></u>	<u><u>\$ 386,141</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 5,834	\$ 400
Deferred special events support	<u>78,989</u>	<u>29,875</u>
Total Liabilities	<u>84,823</u>	<u>30,275</u>
NET ASSETS		
Unrestricted	401,737	349,866
Temporarily restricted	60,000	5,000
Permanently restricted	<u>1,000</u>	<u>1,000</u>
Total Net Assets	<u>462,737</u>	<u>355,866</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 547,560</u></u>	<u><u>\$ 386,141</u></u>

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, 2007 AND 2006

	2007	2006
Changes in Unrestricted Net Assets		
Revenues		
Contributions	\$ 138,040	\$ 174,671
Special event	143,980	148,193
ATR receipts	4,009	3,383
Investment income	<u>5,814</u>	<u>4,459</u>
Total Unrestricted Revenues	291,843	330,706
Net assets released from restrictions	<u>5,000</u>	<u>14,914</u>
Total Unrestricted Revenues and Reclassifications	<u>296,843</u>	<u>345,620</u>
Functional Expenses		
Program services	<u>147,940</u>	<u>116,274</u>
Supporting services:		
Management and general	<u>57,660</u>	<u>46,872</u>
Fundraising	<u>12,934</u>	<u>2,952</u>
Special events direct costs	<u>26,438</u>	<u>48,597</u>
	<u>39,372</u>	<u>51,549</u>
Total Unrestricted Functional Expenses	<u>244,972</u>	<u>214,695</u>
Increase in unrestricted net assets	<u>51,871</u>	<u>130,925</u>
Changes in Temporarily Restricted Net Assets		
2008 operations	60,000	5,000
Net assets released from restrictions	<u>(5,000)</u>	<u>(14,914)</u>
Increase (decrease) in temporarily restricted net assets	<u>55,000</u>	<u>(9,914)</u>
INCREASE IN NET ASSETS	106,871	121,011
NET ASSETS, BEGINNING OF THE YEAR	<u>357,694</u>	<u>236,683</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 464,565</u></u>	<u><u>\$ 357,694</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, 2007

		<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	\$ 86,760	\$ 36,601	\$ 12,200	\$ 135,561
Program costs	23,544	-	-	23,544
Network and computer administration	4,500	4,500	-	9,000
Office supplies and equipment	3,942	3,942	328	8,212
Utilities	5,400	1,800	-	7,200
Interns	7,078	-	-	7,078
Administration	2,589	2,589	215	5,393
Janitorial	3,066	1,022	-	4,088
Telephone	1,813	1,813	152	3,778
Professional fees	-	3,500	-	3,500
GED	2,628	-	-	2,628
Depreciation	1,886	629	-	2,515
Insurance	1,243	414	-	1,657
ATR costs	1,230	-	-	1,230
Postage	468	468	39	975
Graduation	937	-	-	937
Volunteers	383	382	-	765
Program supplies	473	-	-	473
Development and training	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before special events direct costs	147,940	57,660	12,934	218,534
	<hr/>	<hr/>	<hr/>	<hr/>
Donated items - special events	-	-	9,980	9,980
Special events direct cost	-	-	16,458	16,458
	<hr/>	<hr/>	<hr/>	<hr/>
Total special events direct costs	-	-	26,438	26,438
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 147,940</u>	<u>\$ 57,660</u>	<u>\$ 39,372</u>	<u>\$ 244,972</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, 2006

	Program Services	Supporting Services		Total
		Management and General	Fund- raising	
Salaries and benefits	\$ 68,961	\$ 29,786	\$ 2,482	\$ 101,229
Program costs	4,699	-	-	4,699
Network and computer administration	4,500	4,500	-	9,000
Office supplies and equipment	2,590	2,590	217	5,397
Utilities	3,600	1,200	-	4,800
Interns	7,486	-	-	7,486
Administration	1,389	1,389	116	2,894
Janitorial	3,066	1,022	-	4,088
Telephone	1,103	1,103	93	2,299
Professional fees	-	-	-	-
GED	2,945	-	-	2,945
Depreciation	8,050	2,683	-	10,733
Insurance	1,264	421	-	1,685
ATR costs	1,642	-	-	1,642
Postage	537	537	44	1,118
Graduation	1,184	-	-	1,184
Volunteers	1,641	1,641	-	3,282
Program supplies	1,617	-	-	1,617
Development and training	914	914	-	1,828
Total expenses before special events direct costs	116,274	46,872	2,952	167,926
Donated items - special events	-	-	34,739	34,739
Special events direct cost	-	-	13,858	13,858
Total special events direct costs	-	-	48,597	48,597
Total expenses	\$ 116,274	\$ 46,872	\$ 51,549	\$ 216,523

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, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 106,871	\$ 119,183
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	2,515	10,733
Donation of equity securities	(3,989)	(5,288)
Unrealized gains and interest on investments	(2,727)	-
Decrease (increase) in contributions receivable	5,891	(7,991)
(Increase) decrease in gift cards	(409)	218
Increase in prepaid expenses	(86)	(1,311)
Increase in deferred special events support	49,114	6,725
Increase (decrease) in accounts payable	5,434	(20)
	<u>162,614</u>	<u>122,249</u>
Net Cash Provided by Operating Activities		
	<u>162,614</u>	<u>122,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sell of investments	10,967	598
Proceeds from the maturity of certificates of deposit	50,630	-
Purchase of certificates of deposit	(150,000)	-
Purchase of investments	(6,557)	(8,209)
Purchase of furniture and equipments	(9,086)	-
	<u>(104,046)</u>	<u>(7,611)</u>
Net Cash Used by Investing Activities		
	<u>(104,046)</u>	<u>(7,611)</u>
Net Increase in Cash and Cash Equivalents	58,568	114,638
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>322,552</u>	<u>207,914</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 381,120</u></u>	<u><u>\$ 322,552</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, 2007 AND 2006

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 incarceration as well as to women in crisis situations. The Organization's primary program components includes 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.

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, 2007 AND 2006

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 statement 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 Events Revenue

Deferred special events 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, 2007 AND 2006

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 and \$209,267 at December 31, 2007 and 2006, respectively.

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, 2007 and 2006.

NOTE 5 - INVESTMENTS

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

	2007	2006
Certificates of deposit	\$ 136,129	\$ 33,768
Equity securities	3,989	5,288
Investments in Endowment:		
U.S. Government Agency Obligations	5,245	4,990
Growth mutual funds	<u>7,429</u>	<u>7,070</u>
	<u>\$ 152,792</u>	<u>\$ 51,116</u>

The certificates of deposit have maturity dates of 12 months or less and bear interest rates ranging from 3.8% to 4.9%.

The equity securities originated from contributions. Realized gains during 2007 were \$19. There are no unrealized gains or losses at December 31, 2007.

The U.S. Government agency obligations and growth mutual funds are held by the Tennessee Baptist Foundation for the establishment of an endowment. Total income for 2007 was \$175 consisting of \$458 of investment income and unrealized losses of \$283. Total income for 2006 was \$896 consisting of investment income of \$273 and unrealized gains of \$623. 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, 2007 AND 2006

NOTE 6 - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31:

	2007	2006
Leasehold improvements	\$ 37,185	\$ 35,000
Equipment - computers	7,277	3,296
Equipment - office	4,634	3,485
Software	<u>2,535</u>	<u>764</u>
	51,631	42,545
Accumulated depreciation	<u>(43,386)</u>	<u>(40,871)</u>
	<u>\$ 8,245</u>	<u>\$ 1,674</u>

Depreciation expense was \$2,515 and \$10,733 for the years ended December 31, 2007 and 2006, respectively.

NOTE 7 - RESTRICTIONS ON NET ASSETS

The temporarily restricted nets 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.

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 began 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:

	2007	2006
Unrestricted – designated	\$ 11,674	\$ 11,060
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u>\$ 12,674</u>	<u>\$ 12,060</u>

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 8 - LEASE OBLIGATIONS

The Organization has entered into a lease with The Next Door, Inc. ("TND"), a non-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 contributed have been included in unrestricted revenues and expenses in the financial statements for the years ended December 31:

	2007	2006
Included in contributions:		
Network and computer administration	\$ 9,000	\$ 9,000
Janitorial services	4,088	4,088
Interns	4,020	3,540
Program costs	13,305	-
Included in Special events income and Special events direct costs	<u>9,980</u>	<u>34,739</u>
	<u>\$ 40,393</u>	<u>\$ 51,367</u>