

**CHRISTIAN WOMEN'S JOB CORPS OF
MIDDLE TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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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, 2014 and 2013, 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, 2014 and 2013, 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.

June 18, 2015

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Cash	\$ 529,656	\$ 412,839
Contributions receivable	47,512	10,500
Investments	130,603	116,137
Other assets	3,663	4,985
Furniture and equipment, net	<u>3,040</u>	<u>831</u>
TOTAL ASSETS	<u>\$ 714,474</u>	<u>\$ 545,292</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 19,122	\$ 10,339
Deferred special event revenue	<u>98,062</u>	<u>62,200</u>
Total Liabilities	<u>117,184</u>	<u>72,539</u>
NET ASSETS		
Unrestricted	516,695	424,069
Temporarily restricted	79,295	47,684
Permanently restricted	<u>1,000</u>	<u>1,000</u>
Total Net Assets	<u>596,990</u>	<u>472,753</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 714,174</u>	<u>\$ 545,292</u>

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, 2014 AND 2013**

	2014	2013
Changes in Unrestricted Net Assets		
Revenues		
Contributions	\$ 405,675	\$ 378,917
Special event (net of direct benefits to donors of \$16,912 and \$16,424 for 2014 and 2013, respectively)	217,313	181,031
Investment and interest income (loss)	15,131	(1,053)
Other	<u>-</u>	<u>2,271</u>
Total Unrestricted Revenues	638,119	561,166
Net assets released from restrictions	<u>122,808</u>	<u>56,641</u>
Total Unrestricted Revenues and Reclassifications	<u>760,927</u>	<u>617,807</u>
Functional Expenses		
Program services	<u>464,960</u>	<u>486,583</u>
Supporting services:		
Management and general	<u>130,617</u>	<u>86,618</u>
Fundraising	<u>62,656</u>	<u>54,895</u>
Special event direct costs	<u>10,068</u>	<u>11,386</u>
	<u>72,724</u>	<u>66,281</u>
Total Unrestricted Functional Expenses	<u>668,301</u>	<u>639,482</u>
Increase (decrease) in unrestricted net assets	<u>92,626</u>	<u>(21,675)</u>
Changes in Temporarily Restricted Net Assets		
Restricted contributions	154,419	86,925
Net assets released from restrictions	<u>(122,808)</u>	<u>(56,641)</u>
Increase in temporarily restricted net assets	<u>31,611</u>	<u>30,284</u>
INCREASE IN NET ASSETS	124,237	8,609
NET ASSETS, BEGINNING OF THE YEAR	<u>472,753</u>	<u>464,144</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 596,990</u></u>	<u><u>\$ 472,753</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, 2014

		Supporting Services		
	Program	Management	Fund-	
	Services	and	raising	Total
		General		
Salaries and benefits	\$ 291,511	\$ 23,419	\$ 48,626	\$ 363,556
Facilities rent and utilities	79,614	42,436	-	122,050
Network and computer administration	10,000	19,200	-	29,200
Professional fees	-	27,889	-	27,889
Student needs	22,211	-	-	22,211
GED teaching materials	21,303	-	-	21,303
Office supplies, software & equipment	6,867	8,208	3,730	18,805
Telephone	10,628	359	1,216	12,203
Marketing and promotion	3,000	-	5,590	8,590
Program supplies	7,495	-	-	7,495
Administration	-	3,771	1,474	5,245
Insurance	2,144	1,787	-	3,931
Printing	2,000	64	1,195	3,259
Travel	1,684	770	292	2,746
Volunteer recognition	2,203	92	-	2,295
Postage	1,644	114	533	2,291
WMU scholarship	2,200	-	-	2,200
Staff development	456	1,617	-	2,073
Depreciation	-	891	-	891
Janitorial	-	-	-	-
Total expenses before special event direct costs	464,960	130,617	62,656	658,233
Special event direct costs	-	-	19,380	19,380
Donated items - special event	-	-	7,600	7,600
Less direct benefits to donors	-	-	(16,912)	(16,912)
Total special event direct costs	-	-	10,068	10,068
Total expenses	\$ 464,960	\$ 130,617	\$ 72,724	\$ 668,301

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, 2013

		<u>Supporting Services</u>		
	<u>Program</u>	<u>Management</u>	<u>Fund-</u>	<u>Total</u>
	<u>Services</u>	<u>and</u>	<u>raising</u>	
		<u>General</u>		
Salaries and benefits	\$ 312,021	\$ 16,987	\$ 48,588	\$ 377,596
Facilities rent and utilities	109,871	27,417	-	137,288
Network and computer administration	6,750	2,250	-	9,000
Professional fees	-	27,748	-	27,748
Student needs	7,700	-	-	7,700
GED teaching materials	8,290	-	-	8,290
Office supplies, software & equipment	3,486	1,568	2,495	7,549
Telephone	10,159	1,109	1,193	12,461
Marketing and promotion	844	324	-	1,168
Program supplies	6,481	-	-	6,481
Administration	3,868	2,129	144	6,141
Insurance	-	2,312	-	2,312
Printing	890	211	1,857	2,958
Travel	1,455	195	-	1,650
Volunteer recognition	436	733	-	1,169
Postage	68	745	503	1,316
WMU scholarship	-	-	-	-
Staff development	2352	594	115	3,061
Depreciation	8,105	665	-	8,770
Janitorial	3,807	1,631	-	5,438
	<u>486,583</u>	<u>86,618</u>	<u>54,895</u>	<u>628,096</u>
Total expenses before special event direct costs				
	<u>486,583</u>	<u>86,618</u>	<u>54,895</u>	<u>628,096</u>
Special event direct costs	-	-	20,210	20,210
Donated items - special event	-	-	7,600	7,600
Less direct benefits to donors	-	-	(16,424)	(16,424)
	<u>-</u>	<u>-</u>	<u>11,386</u>	<u>11,386</u>
Total special event direct costs				
	<u>-</u>	<u>-</u>	<u>11,386</u>	<u>11,386</u>
Total expenses	<u>\$ 486,583</u>	<u>\$ 86,618</u>	<u>\$ 66,281</u>	<u>\$ 639,482</u>

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, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 124,237	\$ 8,609
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	891	8,770
Unrealized (gain) loss on investments	(8,946)	5,918
(Increase) decrease in operating assets		
Contributions receivable	(37,012)	277
Other assets	1,322	(2,344)
Increase in operating liabilities		
Accounts payable and accrued expenses	8,783	462
Deferred special event revenue	<u>35,862</u>	<u>24,900</u>
Net Cash Provided by Operating Activities	<u>125,137</u>	<u>46,592</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,219)	(16,956)
Purchase of furniture and equipment	<u>(3,101)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(8,320)</u>	<u>(16,956)</u>
Net Increase in Cash	116,817	29,636
CASH, BEGINNING OF THE YEAR	<u>412,839</u>	<u>383,203</u>
CASH, END OF THE YEAR	<u><u>\$ 529,656</u></u>	<u><u>\$ 412,839</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, 2014 AND 2013

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 obstacles 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, 2014 AND 2013

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, 2014, 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 2011.

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, 2014 AND 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2014 and 2013.

NOTE 4 - INVESTMENTS

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

	2014	2013
Cash funds	\$ 3,078	\$ 306
Preferred stock	35,358	21,754
Mutual funds	<u>92,167</u>	<u>94,077</u>
	<u>\$ 130,603</u>	<u>\$ 116,137</u>

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 4 - INVESTMENTS (CONTINUED)

The cash funds, preferred stock, and mutual funds are held by the Tennessee Baptist Foundation for the establishment of an endowment. Total investment income (loss) on these investments in endowment was \$14,15 and (\$1,862) for 2014 and 2013, respectively. This investment income includes realized and unrealized gains (losses) of \$8,946 and (\$5,918) for 2014 and 2013, 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, 2014 and 2013.

NOTE 5 - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31:

	2014	2013
Equipment - computers	29,187	26,086
Software	28,799	32,408
Equipment - office	4,990	6,629
Leasehold improvements	<u>-</u>	<u>37,185</u>
	62,976	102,308
Accumulated depreciation	<u>(59,936)</u>	<u>(101,477)</u>
	<u>\$ 3,040</u>	<u>\$ 831</u>

Depreciation expense was \$891 and \$8,770 for the years ended December 31, 2014 and 2013, respectively.

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 6 - RESTRICTIONS ON NET ASSETS

The temporarily restricted nets 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 an 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 \$12,900 during 2013. 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:

	2014	2013
Unrestricted – designated	\$ 129,603	\$ 115,137
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u>\$ 130,603</u>	<u>\$ 116,137</u>

NOTE 7 - LEASING ARRANGEMENTS

During 2013 and through May of 2014, the Organization subleased the fifth floor premises of a building located in downtown Nashville owned by First Baptist Church Nashville. The lease expired on June 30, 2011 and was operated on a month-to-month basis. The lease called for monthly payments of \$600 to cover utilities as well as payments for other shared building expenses. Effective May 2014, the Organization ended this lease and moved its administrative offices to facilities provided by the Nashville Baptist Association ("NBA" – see Note 9). 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. Additional in-kind contributions have been included in the financial statements for these leases.

The Organization also has leases with four 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.

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013

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:

	2014	2013
Included in contributions/expenses:		
Rent	\$ 115,214	\$ 129,471
Teaching and instruction	51,929	92,852
Network and computer administration	29,200	9,000
Automobile	19,200	5,000
Video production	3,130	-
Graphic design	531	-
Car repairs	443	-
Photographer	219	-
Janitorial services	-	5,438
 Included in Special event revenues and Special event direct costs	 <u>7,600</u>	 <u>7,600</u>
	 <u><u>\$ 227,466</u></u>	 <u><u>\$ 249,361</u></u>

Various program help for the Organization including mentoring, 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. Management estimates that the fair value of donated services received but not recognized as revenues was \$81,000 for years ended December 31, 2014 and 2013.

NOTE 9 - RELATED PARTY TRANSACTION

As more fully described in Note 7, the Organization leases space from the NBA whose executive director is a family member of one of the Organization's management team personnel. A total of \$3,600 was paid to NBA during 2014. Also, during 2013, NBA made contributions of \$7,000 to the Organization.

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 18, 2015 which is the date the financial statements were available to be issued.