

**CHRISTIAN WOMEN'S JOB CORPS OF
MIDDLE TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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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, 2011 and 2010 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, 2011 and 2010, 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

March 28, 2012

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	\$ 455,094	\$ 314,663
Contributions receivable	10,400	8,767
Investments	85,113	172,474
Other assets	1,086	548
Furniture and equipment, net	<u>24,314</u>	<u>42,050</u>
 TOTAL ASSETS	 <u><u>\$ 576,007</u></u>	 <u><u>\$ 538,502</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 9,002	\$ 6,529
Deferred special event revenue	<u>52,676</u>	<u>38,486</u>
 Total Liabilities	 <u>61,678</u>	 <u>45,015</u>
 NET ASSETS		
Unrestricted	484,829	465,426
Temporarily restricted	28,500	27,061
Permanently restricted	<u>1,000</u>	<u>1,000</u>
 Total Net Assets	 <u>514,329</u>	 <u>493,487</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 576,007</u></u>	 <u><u>\$ 538,502</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, 2011 AND 2010

	2011	2010
Changes in Unrestricted Net Assets		
Revenues		
Contributions	\$ 291,885	\$ 358,899
Special event	173,194	154,358
Investment income	9,956	9,554
ATR receipts	<u>-</u>	<u>220</u>
Total Unrestricted Revenues	475,035	523,031
Net assets released from restrictions	<u>96,361</u>	<u>29,353</u>
Total Unrestricted Revenues and Reclassifications	<u>571,396</u>	<u>552,384</u>
Functional Expenses		
Program services	<u>369,968</u>	<u>342,707</u>
Supporting services:		
Management and general	<u>107,742</u>	<u>159,751</u>
Fundraising	<u>47,533</u>	<u>49,516</u>
Special event direct costs	<u>26,750</u>	<u>24,107</u>
	<u>74,283</u>	<u>73,623</u>
Total Unrestricted Functional Expenses	<u>551,993</u>	<u>576,081</u>
Increase (decrease) in unrestricted net assets	<u>19,403</u>	<u>(23,697)</u>
Changes in Temporarily Restricted Net Assets		
Restricted contributions	97,800	42,500
Net assets released from restrictions	<u>(96,361)</u>	<u>(29,353)</u>
Increase in temporarily restricted net assets	<u>1,439</u>	<u>13,147</u>
INCREASE (DECREASE) IN NET ASSETS	20,842	(10,550)
NET ASSETS, BEGINNING OF THE YEAR	<u>493,487</u>	<u>504,037</u>
NET ASSETS, END OF THE YEAR	<u><u>\$ 514,329</u></u>	<u><u>\$ 493,487</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, 2011

		Supporting Services		
		Management	Fund-	
	Program	and	raising	Total
	Services	General		
Salaries and benefits	\$ 194,324	\$ 27,062	\$ 42,969	\$ 264,355
Facilities rent and utilities	106,723	35,091	-	141,814
Professional fees	-	24,323	-	24,323
Depreciation	15,076	2,660	-	17,736
Office supplies and equipment	10,825	3,222	3,252	17,299
Administration	6,614	5,567	104	12,285
Program costs	11,812	-	-	11,812
Telephone	6,085	3,196	964	10,245
Network and computer administration	6,750	2,250	-	9,000
GED	6,656	37	-	6,693
Janitorial	2,719	2,719	-	5,438
Printing	2,384	344	135	2,863
Insurance	-	1,271	-	1,271
Marketing and promotion	-	-	109	109
Loss on disposal of software	-	-	-	-
	<u>369,968</u>	<u>107,742</u>	<u>47,533</u>	<u>525,243</u>
Total expenses before special event direct costs				
Special event direct costs	-	-	18,250	18,250
Donated items - special event	-	-	8,500	8,500
	<u>-</u>	<u>-</u>	<u>26,750</u>	<u>26,750</u>
Total special event direct costs				
Total expenses	<u>\$ 369,968</u>	<u>\$ 107,742</u>	<u>\$ 74,283</u>	<u>\$ 551,993</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, 2010

		<u>Supporting Services</u>		
		<u>Management</u>	<u>Fund-</u>	
	<u>Program</u>	<u>and</u>	<u>raising</u>	<u>Total</u>
	<u>Services</u>	<u>General</u>		
Salaries and benefits	\$ 167,569	\$ 29,611	\$ 41,297	\$ 238,477
Facilities rent and utilities	112,897	21,200	-	134,097
Professional fees	-	23,264	-	23,264
Depreciation	14,567	2,572	-	17,139
Office supplies and equipment	6,327	1,855	3,010	11,192
Administration	4,381	5,304	3,015	12,700
Program costs	11,646	-	-	11,646
Telephone	4,570	1,989	754	7,313
Network and computer administration	6,750	4,308	-	11,058
GED	4,889	-	-	4,889
Janitorial	2,044	2,044	-	4,088
Printing	-	-	1,440	1,440
Insurance	-	1,831	-	1,831
Marketing and promotion	-	65,773	-	65,773
Loss on disposal of software	7,067	-	-	7,067
	<u>342,707</u>	<u>159,751</u>	<u>49,516</u>	<u>551,974</u>
Total expenses before special event direct costs				
Donated items - special event	-	-	8,500	8,500
Special event direct costs	-	-	15,607	15,607
	<u>-</u>	<u>-</u>	<u>24,107</u>	<u>24,107</u>
Total special event direct costs				
Total expenses	<u>\$ 342,707</u>	<u>\$ 159,751</u>	<u>\$ 73,623</u>	<u>\$ 576,081</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, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 20,842	\$ (10,550)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	17,736	17,139
Donation of software	-	(26,524)
Loss on disposal of software	-	7,067
Unrealized gain on investments	(4,246)	(2,981)
Increase in		
Contributions receivable	(1,633)	(7,417)
Other assets	(538)	(111)
Increase in		
Accounts payable and accrued expenses	2,473	1,303
Deferred special event revenue	14,190	449
	<u>48,824</u>	<u>(21,625)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sell of investments	-	33,000
Proceeds from the maturity of certificates of deposit	107,675	104,446
Purchase of certificates of deposit and reinvestment of interest	(1,164)	(106,511)
Purchase of investments	(14,904)	(44,497)
Purchase of furniture and equipment	-	(22,105)
	<u>91,607</u>	<u>(35,667)</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash	140,431	(57,292)
CASH, BEGINNING OF THE YEAR	<u>314,663</u>	<u>371,955</u>
CASH, END OF THE YEAR	<u><u>\$ 455,094</u></u>	<u><u>\$ 314,663</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, 2011 AND 2010

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Established in 1997, Christian Women's Job Corps of Middle Tennessee (the "Organization") provides training and mentoring 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. These skills include GED, English as a Second Language, computer, life and job skills. Many who enter the program have learning challenges and/or work best in the small group or the one-on-one environment the Organization offers. The goal is to help students obtain self-sufficiency through employment, job training, education, housing, transportation, childcare and medical care.

The Organization offers Adult Education Programs at three satellite locations in downtown Nashville, Madison, and Williamson County (Franklin). Madison and Williamson County sites began in October 2007. In January 2010, Men's ESL was added in Williamson County. In September 2010, a pilot Men's Jobs for Life class was offered in Madison. From this a Men's GED Program in Madison was identified as a need and initial funds secured with the program launching in October 2011. Currently in Williamson County the demographics are as follows: African American 8%, Caucasian 2%, Other nationality 2% (Congo), and Hispanic 88% (primarily from Mexico and a few from Honduras). 10% of the students were men in 2011. Students range in age from 18-60 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.

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.

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2011, 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.

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, 2011 AND 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 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, 2011 and 2010.

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 - INVESTMENTS

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

	2011	2010
Certificates of deposit	\$ -	\$ 106,511
Investments in Endowment:		
Cash funds	361	963
Preferred stock	19,784	4,666
Mutual funds	<u>64,968</u>	<u>60,334</u>
	<u>\$ 85,113</u>	<u>\$ 172,474</u>

The cash funds, preferred stock, and mutual funds are held by the Tennessee Baptist Foundation for the establishment of an endowment. Total investment income on these investments in endowment was \$6,863 and \$3,964 for 2011 and 2010, respectively. This investment income includes realized and unrealized gains of \$4,246 and \$2,981 for 2011 and 2010, 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 participants 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, 2011 and 2010.

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 5 - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31:

	2011	2010
Leasehold improvements	\$ 37,185	\$ 37,185
Equipment - computers	26,086	26,086
Equipment - office	4,634	4,634
Software	<u>32,408</u>	<u>32,408</u>
	100,313	100,313
 Accumulated depreciation	 <u>(75,999)</u>	 <u>(58,263)</u>
	 <u>\$ 24,314</u>	 <u>\$ 42,050</u>

Depreciation expense was \$17,736 and \$17,139 for the years ended December 31, 2011 and 2010, respectively.

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 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 Organization made contributions to the unrestricted – designated portion of the endowment of \$12,287 and \$10,514 during 2011 and 2010, 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:

	2011	2010
Unrestricted – designated	\$ 84,113	\$ 64,963
Permanently restricted	<u>1,000</u>	<u>1,000</u>
	<u>\$ 85,113</u>	<u>\$ 65,963</u>

CHRISTIAN WOMEN'S JOB CORPS OF MIDDLE TENNESSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 7 - 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 calls for monthly payments of \$600 to cover utilities as well as payments for other shared building expenses. The lease expired on June 30, 2011 and is now operating on a month-to-month basis. Additional in-kind contributions have been included in the financial statements for this lease.

The Organization also has leases with two 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.

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:

	2011	2010
Included in contributions/expenses:		
Network and computer administration	\$ 9,000	\$ 11,058
Janitorial services	5,438	4,088
Interns	1,000	1,440
Marketing	-	65,003
Rent	131,631	126,897
 Included in Special event revenues and Special event direct costs	 8,500	 8,500
 Included in contributions/assets:		
Software	-	26,524
	<u>\$ 155,569</u>	<u>\$ 243,510</u>

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

These financial statements include the consideration and impact of subsequent events through March 28, 2012, which is the date the financial statements were available to be issued.