

**Christian Women's Job Corps
of Middle Tennessee
dba Begin Anew of Middle Tennessee**

Financial Statements
For the Years Ended December 31, 2020 and 2019

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Financial Statements
For the Years Ended December 31, 2020 and 2019

Contents

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8 - 14



Independent Auditor's Report

Board of Directors

Christian Women's Job Corp of Middle Tennessee dba Begin Anew of Middle Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the Christian Women's Job Corp of Middle Tennessee dba Begin Anew of Middle Tennessee (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Auditor's 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 auditor's 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 the Christian Women's Job Corp of Middle Tennessee dba Begin Anew of Middle Tennessee as of December 31, 2020 and 2019, and the results of its operations 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

Brentwood, Tennessee

May 28, 2021

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
 Statements of Financial Position
 December 31, 2020 and 2019

	2020	2019
Assets		
Cash	\$ 375,573	\$ 175,884
Contributions receivable	57,333	40,654
Investments	237,966	300,121
Other assets	4,043	3,159
Furniture and equipment, net	12,586	549
Total assets	\$ 687,501	\$ 520,367
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 20,721	\$ 20,646
Deferred special event revenues	34,747	50,481
PPP loan	96,438	-
Total liabilities	151,906	71,127
Net assets		
Without donor restrictions	457,318	390,964
With donor restrictions	78,277	58,276
Total net assets	535,595	449,240
Total liabilities and net assets	\$ 687,501	\$ 520,367

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Statement of Activities
For the Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions and grants	\$ 464,829	\$ 125,049	\$ 589,878
Special events	175,525	-	175,525
Investment and interest income	19,299	-	19,299
Other income	1,141	-	1,141
Net assets released from restrictions	105,048	(105,048)	-
Total support and revenues	765,842	20,001	785,843
Expenses			
Program	560,648	-	560,648
Management and general	87,651	-	87,651
Fundraising	43,621	-	43,621
Special event direct costs	7,568	-	7,568
Total expenses	699,488	-	699,488
Change in net assets	66,354	20,001	86,355
Net assets, beginning of year	390,964	58,276	449,240
Net assets, end of year	\$ 457,318	\$ 78,277	\$ 535,595

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Statement of Activities
For the Year Ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions and grants	\$ 326,485	\$ 95,776	\$ 422,261
Special events (net of direct benefits to donors of \$20,373)	209,842	-	209,842
Investment and interest income	25,034	-	25,034
Net assets released from restrictions	<u>103,467</u>	<u>(103,467)</u>	<u>-</u>
Total support and revenues	664,828	(7,691)	657,137
Expenses			
Program	611,867	-	611,867
Management and general	82,580	-	82,580
Fundraising	41,672	-	41,672
Special event direct costs	<u>6,324</u>	<u>-</u>	<u>6,324</u>
Total expenses	742,443	-	742,443
Change in net assets	(77,615)	(7,691)	(85,306)
Net assets, beginning of year	<u>468,579</u>	<u>65,967</u>	<u>534,546</u>
Net assets, end of year	\$ 390,964	\$ 58,276	\$ 449,240

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 388,841	\$ 28,481	\$ 38,001	\$ 455,323
Depreciation	-	180	-	180
Facilities rent and utilities	109,989	12,525	-	122,514
GED/literacy materials	11,196	-	-	11,196
Grant expenses	-	-	-	-
Insurance	2,900	1,039	-	3,939
Marketing and promotion	3,254	4,584	1,776	9,614
Network and computer administration	20,047	1,869	1,748	23,664
Office supplies, software, and equipment	9,421	1,233	-	10,654
Postage	364	115	246	725
Printing	1,500	-	349	1,849
Professional fees	-	34,236	-	34,236
Program supplies	380	-	-	380
Staff development	235	75	75	385
Student needs	443	-	-	443
Telephone	6,057	529	595	7,181
Travel	1,819	-	399	2,218
Volunteer recognition	1,417	-	-	1,417
WMU scholarship	1,840	-	-	1,840
Miscellaneous	945	2,785	432	4,162
Total expenses before special event direct costs	560,648	87,651	43,621	691,920
Special events direct costs	-	-	5,568	5,568
Donated items, special events	-	-	2,000	2,000
Total special event direct costs	-	-	7,568	7,568
Total expenses	\$ 560,648	\$ 87,651	\$ 51,189	\$ 699,488

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 458,700	\$ 33,718	\$ 33,494	\$ 525,912
Depreciation	4,722	-	-	4,722
Facilities rent and utilities	97,189	2,000	525	99,714
GED/literacy materials	15,731	-	-	15,731
Insurance	2,770	1,867	-	4,637
Marketing and promotion	272	4,091	3,082	7,445
Network and computer administration	6,070	1,526	256	7,852
Office supplies, software, and equipment	5,943	1,165	5	7,113
Postage	451	142	197	790
Printing	632	198	1,627	2,457
Professional fees	-	33,914	-	33,914
Program supplies	1,264	-	-	1,264
Staff development	1,419	137	193	1,749
Student needs	1,236	-	-	1,236
Telephone	5,309	137	138	5,584
Travel	7,822	430	1,902	10,154
Volunteer recognition	1,418	146	25	1,589
Miscellaneous	919	3,109	228	4,256
Total expenses before special event direct costs	611,867	82,580	41,672	736,119
Special events direct costs	-	-	21,697	21,697
Donated items, special events	-	-	5,000	5,000
Less: direct benefits to donors	-	-	(20,373)	(20,373)
Total special event direct costs	-	-	6,324	6,324
Total expenses	\$ 611,867	\$ 82,580	\$ 47,996	\$ 742,443

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash, beginning of year	\$ 175,884	\$ 104,281
Cash flows from operating activities		
Change in net assets	86,355	(85,306)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	180	4,722
Investment income	(18,350)	(23,950)
Change in:		
Contributions receivable	(16,679)	886
Other assets	(884)	209
Accounts payable and accrued expenses	75	15,069
Deferred special event revenues	(15,734)	(15,277)
Net cash provided (used) by operating activities	34,963	(103,647)
Cash flows from investing activities		
Purchases of furniture and equipment	(12,217)	-
Purchases of certificates of deposit	-	(240,000)
Maturity of certificates of deposit	80,505	415,250
Net cash provided (used) by investing activities	68,288	175,250
Cash flows from financing activities		
Proceeds from PPP loan	96,438	-
Net change in cash	199,689	71,603
Cash, end of year	\$ 375,573	\$ 175,884

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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 of Middle Tennessee 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 English Language Learners. 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 primarily serves students over the age of 18 in six programs at four locations across Middle Tennessee: Madison (Men and Women), Nashville (Women Only), Williamson County, (Men and Women), and Woodbine (combined Men and Women). A program manager 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 County provides an additional daytime class on Thursday. Approximately 300 volunteers serve the Organization as tutors, teachers, mentors, childcare workers, meal preparers, and greeters. Due to the Covid-19 pandemic, the Organization moved to online platforms for a large portion of 2020. The Organization collaborates with other not-for-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 requires 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.

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.

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies

Investments

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

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 Revenues

Deferred special event revenues 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.

PPP Loan

The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as debt.

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.

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 2. Summary of Significant Accounting Policies

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.

Reclassifications

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

Note 3. Availability and Liquidity

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

	2020	2019
Financial assets		
Cash	\$ 375,573	\$ 175,884
Contributions receivable	57,333	40,654
Investments	<u>237,966</u>	<u>300,121</u>
Total financial assets at year-end	670,872	516,659
Less amounts not available to be used within one year		
Investments designated for scholarships	(38,306)	(35,066)
Investments designated/restricted for reserves	<u>(199,660)</u>	<u>(185,055)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 432,906	\$ 296,538

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. The Organization receives year-round donations from supporters and makes specific appeals at strategic times of the year for specific projects. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

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, 2020 and 2019. Contributions receivable are considered current since they are expected to be collected within one year.

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 5. Investments

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

	2020	2019
Held with Tennessee Baptist Foundation		
Cash funds	\$ 47,637	\$ 43,096
Fixed income funds	20,806	19,777
Mutual funds	<u>131,217</u>	<u>122,182</u>
	199,660	185,055
 Certificates of deposit	 -	 80,000
 Held with a broker		
Cash funds	2,286	1,992
Fixed income funds	24,483	22,064
Mutual funds	<u>11,537</u>	<u>11,010</u>
	<u>38,306</u>	<u>35,066</u>
 Total Investments	 \$ 237,966	 \$ 300,121

The investments held by the Tennessee Baptist Foundation are for the establishment of a general, unrestricted operational endowment. Total investment income (loss), net of fees, on these investments was \$14,605 and \$18,645 for 2020 and 2019, respectively. See note 8 for information regarding this endowment.

The certificates of deposit matured in 2020 and were not renewed. This instrument had an original maturity dates greater than three months.

The investments held with a broker are for a scholarship endowment. Total investment income (loss), net of fees, on these investments was \$3,240 and \$3,523 for 2020 and 2019, respectively. See note 8 for information regarding this endowment.

US GAAP requires 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.

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 6. Furniture and Equipment

Furniture and equipment consist of the following at December 31:

	2020	2019
Equipment, computers	\$ 70,622	\$ 58,405
Software	26,524	26,524
Equipment, office	1,049	1,049
Less: accumulated depreciation	<u>(85,609)</u>	<u>(85,429)</u>
Furniture and equipment, net	\$ 12,586	\$ 549

Depreciation expense was \$180 and \$4,722 for the years ended December 31, 2020 and 2019, respectively.

Note 7. PPP Loan

On April 11, 2020, the Organization received a loan in the amount of \$96,438 in accordance with the PPP section of the CARES Act. Under this loan program, the Organization may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on future financial reporting. On May 17, 2021, the Ministry was notified by the United States Small Business Administration that the debt was fully forgiven, and the Organization will not be responsible for any payments.

Note 8. Net Assets

Net assets without donor restrictions are available for the Organization's various programs and supporting services. 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:

	2020	2019
Undesignated net assets without donor restrictions	\$ 220,352	\$ 171,843
General, operational endowment	198,660	184,055
Scholarship endowment	<u>38,306</u>	<u>35,066</u>
	\$ 457,318	\$ 390,964

The general, operational endowment consist of a donor restricted contribution and funds designated by the Organization's board of directors. No contributions were made during 2020 and 2019. 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.

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 8. Net Assets

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 or withdrawals made to or from this fund during 2020 and 2019. 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:

	2020	2019
Restricted for future periods	\$ 77,277	\$ 44,276
Restricted for programs	-	13,000
Held in perpetuity, income is expendable		
General, operational endowment	1,000	1,000
	<u>\$ 78,277</u>	<u>\$ 58,276</u>

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:

	2020	2019
Included in contributions/expenses		
Rent	\$ 118,414	\$ 87,114
Marketing	3,500	3,500
Printing	1,500	1,500
Photographer	1,200	1,200
Computer	700	700
Network and computer administration	525	2,100
Editing	500	500
Teaching, instruction, and work study	-	11,495
Included in special event revenues and special event direct costs		
Facility usage	-	2,000
Professional services	2,000	3,000
	<u>\$ 128,339</u>	<u>\$ 113,109</u>

Christian Women's Job Corps of Middle Tennessee
dba Begin Anew of Middle Tennessee
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 9. Donated Services and Materials

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 10. Leasing Arrangements

The Organization leased space for its administrative offices from the Nashville Baptist Association (NBA) until March 2020, at which time, tornado damage to the building required relocation to a new administrative space. The NBA lease was a year-to-year lease that did not require a specific rent; however, the Organization paid \$600 per month to share in covering the cost of utilities. Beginning April 2020, the Organization began leasing space from a corporate partner. This month-to-month lease requires payments of \$450 per month. The lease amounts for both of these leases are deemed to be below market rates; therefore, additional in-kind contributions have been included in the financial statements for this leases (see note 9).

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 9.

Note 11. Concentrations

The annual fundraising events generated 22% of total revenues in 2020 and 32% of total revenues in 2019.

Note 12. Subsequent Events

The Organization has evaluated subsequent events through May 28, 2021, the date on which the financial statements were available to be issued.

On February 12, 2021, the Organization received an additional PPP loan in the amount of \$96,438.