

WOMEN BLESSING WOMEN

FINANCIAL STATEMENTS

December 31, 2008 and 2007

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To the Board of Trustees
Women Blessing Women
Toledo, Ohio

We have compiled the accompanying statements of assets, liabilities and net assets – modified cash basis of Women Blessing Women (a nonprofit organization), as of December 31, 2008 and 2007, and the related statements of support, revenue and expenses - modified cash basis, and statements of functional expenses - modified cash basis for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Kissoff, Rayner, Foos & Kruse

July 2, 2009

WOMEN BLESSING WOMEN
STATEMENTS OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and cash equivalents		
Petty cash	\$ 100	\$ 100
General operating - DCU, checking	26,817	15,370
Savings - DCU, money market and primary shares	8,279	53,922
Endowment fund	104	401
Investments		
Endowment fund	16,529	15,008
Accounts receivable - LCJFS	6,294	5,501
Accounts receivable - Other	1,200	-
Notes receivable/savings - Diocese	100,443	91,769
	100,443	91,769
TOTAL ASSETS	\$ 159,766	\$ 182,071
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Payroll taxes withheld	\$ 1,478	\$ 1,210
Deferred revenue - grant	33,084	38,700
	33,084	38,700
TOTAL LIABILITIES	34,562	39,910
 <u>NET ASSETS</u>		
Unrestricted	107,250	124,465
Temporarily restricted	1,321	2,287
Permanently restricted	16,633	15,409
	125,204	142,161
TOTAL LIABILITIES AND NET ASSETS	\$ 159,766	\$ 182,071

See accompanying notes and accountants' report

WOMEN BLESSING WOMEN
STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>SUPPORT AND REVENUE</u>				
Grants and contracts	\$ 68,833	\$ 52,217	\$ -	\$ 121,050
Contributions	16,097	-	5,825	21,922
Fundraising	10,657	-	-	10,657
TOTAL SUPPORT AND REVENUE	95,587	52,217	5,825	153,629
<u>EXPENSES</u>				
Program	114,263	-	-	114,263
Management and general	55,692	-	-	55,692
Fundraising	1,729	-	-	1,729
TOTAL EXPENSES	171,684	-	-	171,684
CHANGE IN NET ASSETS FROM OPERATIONS	(76,097)	52,217	5,825	(18,055)
OTHER REVENUES				
Miscellaneous income	119	-	-	119
Interest and dividends	4,332	-	415	4,747
Net unrealized and realized gains (losses) on investments	-	-	(3,768)	(3,768)
TOTAL OTHER REVENUES	4,451	-	(3,353)	1,098
NET ASSETS RELEASED FROM RESTRICTIONS	54,431	(53,183)	(1,248)	-
CHANGE IN NET ASSETS	(17,215)	(966)	1,224	(16,957)
NET ASSETS AT BEGINNING OF YEAR	124,465	2,287	15,409	142,161
NET ASSETS AT END OF YEAR	\$ 107,250	\$ 1,321	\$ 16,633	\$ 125,204

See accompanying notes and accountants' report.

WOMEN BLESSING WOMEN
STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>				
Grants and contracts	\$ 97,841	\$ 40,129	\$ -	\$ 137,970
Contributions	18,294	-	2,883	21,177
Fundraising	12,147	-	-	12,147
TOTAL SUPPORT AND REVENUE	128,282	40,129	2,883	171,294
<u>EXPENSES</u>				
Program	111,779	-	-	111,779
Management and general	48,506	-	-	48,506
Fundraising	3,323	-	-	3,323
TOTAL EXPENSES	163,608	-	-	163,608
CHANGE IN NET ASSETS FROM OPERATIONS	(35,326)	40,129	2,883	7,686
<u>OTHER REVENUES</u>				
Interest and dividends	5,030	-	387	5,417
Net unrealized and realized gains (losses) on investments	-	-	322	322
TOTAL OTHER REVENUES	5,030	-	709	5,739
NET ASSETS RELEASED FROM RESTRICTIONS	39,042	(39,042)	-	-
CHANGE IN NET ASSETS	8,746	1,087	3,592	13,425
NET ASSETS AT BEGINNING OF YEAR	115,719	1,200	11,817	128,736
NET ASSETS AT END OF YEAR	\$ 124,465	\$ 2,287	\$ 15,409	\$ 142,161

See accompanying notes and accountants' report.

WOMEN BLESSING WOMEN
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2008

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Wages and benefits	\$ 82,621	\$ 46,580	\$ -	\$ 129,201
Rent and utilities	13,275	699	780	14,754
Supplies and equipment	9,022	2,396	-	11,418
Telephone and internet	1,601	400	-	2,001
Payroll taxes	5,852	2,965	-	8,817
Fundraising	-	-	481	481
Insurance	-	2,285	-	2,285
Postage and shipping	317	67	168	552
Printing and publications	1,553	-	-	1,553
Miscellaneous	22	300	300	622
	<u>\$ 114,263</u>	<u>\$ 55,692</u>	<u>\$ 1,729</u>	<u>\$ 171,684</u>

See accompanying notes and accountants' report.

WOMEN BLESSING WOMEN
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2007

	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Wages and benefits	\$ 81,321	\$ 38,152	\$ 2,541	\$ 122,014
Rent and utilities	12,751	671	-	13,422
Supplies and equipment	7,328	440	-	7,768
Telephone and internet	1,976	350	-	2,326
Payroll taxes	5,341	2,285	172	7,798
Fundraising	-	-	610	610
Insurance	1,800	450	-	2,250
Postage and shipping	497	43	-	540
Accounting and legal fees	-	5,900	-	5,900
Printing and publications	99	-	-	99
Miscellaneous	666	215	-	881
	<u>\$ 111,779</u>	<u>\$ 48,506</u>	<u>\$ 3,323</u>	<u>\$ 163,608</u>

See accompanying notes and accountant's report.

WOMEN BLESSING WOMEN
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Women Blessing Women (the Organization) is a not-for-profit organization operating in Lucas County whose mission is to enable women to obtain living wage employment and break the cycle of poverty.

Basis of accounting

The Organization's accounts are maintained and the financial statements have been prepared on the modified cash basis of accounting. Under the modified cash basis of accounting, income collected, costs and expenses paid, assets, liabilities and net assets arising as a result of cash transactions are recorded. Therefore, certain accrued income and expenses, payable and deferred, which would be recognized under generally accepted accounting principles and which may be material in amount, are not recognized in the accompanying financial statements. In addition, in-kind contributions (see "In-kind contributions" below) are summarized but not recorded on the accompanying financial statement.

Cash and cash equivalents and uninsured cash balance

The Organization considers all investments with maturities of three months or less to be cash equivalents. The Organization maintains various accounts at Directions Credit Union (DCU). Cash accounts at the credit union are insured by the NCUA for up to \$250,000. There were no amounts in excess of insured limits at December 31, 2008 and 2007. The Organization maintains one of its accounts in an endowment trust. Cash accounts in trust are not insured.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In-kind contributions

In addition to the total support and revenue reported on the accompanying Statement of Support, Revenue and Expenses – Modified Cash Basis, the Organization also receives in-kind services and goods. Volunteers contribute their time in various positions for the Organization. The value of such time has been estimated using hourly rates that management believes are consistent with rates that would be paid for such services. Donated goods are also received as in-kind contributions.

See accountants' report.

WOMEN BLESSING WOMEN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In-kind contributions - Continued

The amounts estimated for in-kind contributions are summarized as follows:

	<u>2008</u>	<u>2007</u>
Services	\$ 208,916	\$ 170,779
Goods	<u>44,021</u>	<u>35,121</u>
Total	<u>\$ 252,937</u>	<u>\$ 205,900</u>

Functional expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and/or square footage occupied by each program and supporting service. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income taxes

The Organization is a non-profit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Classification of net assets

Resources of the Organization are classified into net asset categories based on the limitations and restrictions placed on the funds received. The net assets are classified in the following types for financial reporting purposes:

- *Unrestricted Net Assets* - are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specified purposes by action of the Board of Directors.
- *Restricted Net Assets* - contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization. Permanently restricted net assets are those that establish an endowment under which the principal must remain intact. Temporarily restricted net assets are generally reclassified to unrestricted net assets when the donor's restriction is satisfied or when the stipulated time has elapsed.

See accountants' report.

WOMEN BLESSING WOMEN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Furniture and fixtures

Furniture and fixtures are not reported in the accompanying Statement of Assets, Liabilities and Net Assets – Modified Cash Basis. The Organization's policy is to expense the cost of assets as the assets are purchased.

NOTE B - NOTES RECEIVABLE

The Organization has demand notes receivable from the Diocese of Toledo as of December 31, 2008 and 2007. These notes bear interest at the rate set by the Diocese of Toledo. The rate was 3.50% at December 31, 2008 and 4.50% at December 31, 2007.

NOTE C - ENDOWMENT FUND

During 2006, the board of directors established an endowment trust fund known as the Catholic Diocese of Toledo – Women Blessing Women Endowment Trust (Endowment Fund), to be held, managed, and distributed for the exclusive benefit of the Organization. The endowment fund uses the federal ID number of the Toledo Diocese and is therefore not required to file a federal tax return (Form 990).

During 2008, the Board approved using 5% of the total endowment fund market value as of the previous year-end to be used for operations. In prior years, current and accumulated income were the only amounts to be distributed to the Organization while no part of the principal was to be distributed. Reasonable expenses of maintaining the endowment fund could be paid by the endowment fund. No principal from the endowment fund was used for operational expenses during 2008 and 2007.

During 2008, the Organization held a "Ladies of Harmony" fundraiser for the endowment fund. Expenses for the fundraiser (\$1,248) were paid for by the endowment fund and the proceeds (\$4,892) were deposited into the fund.

Investments (endowment fund) are presented in the statement of assets, liabilities and net assets - modified cash basis at fair market value. The investments are summarized as follows:

See accountants' report.

WOMEN BLESSING WOMEN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE C - ENDOWMENT FUND/INVESTMENTS - CONTINUED

2008			
<u>Endowment Fund</u>			
	<u>Cost</u>	<u>Market value</u>	<u>Excess of market over cost</u>
Equity funds	\$ 12,266	\$ 9,150	(\$ 3,116)
Fixed income funds	<u>7,029</u>	<u>7,379</u>	<u>350</u>
	<u>\$ 19,295</u>	<u>\$ 16,529</u>	<u>(\$ 2,766)</u>

2007			
<u>Endowment Fund</u>			
	<u>Cost</u>	<u>Market value</u>	<u>Excess of market over cost</u>
Equity funds	\$ 7,119	\$ 7,721	\$ 602
Fixed income funds	<u>7,066</u>	<u>7,287</u>	<u>221</u>
	<u>\$ 14,185</u>	<u>\$ 15,008</u>	<u>\$ 823</u>

NOTE D - OPERATING COMMITMENT

The Organization leases its facility under an operating lease agreement. At December 31, 2008, the lease is on a month-to-month basis and requires monthly rent of \$775. Total rent expense for each of the years ended December 31, 2008 and 2007 was \$9,300.

NOTE E - CONTINGENCY

The Organization has received financial assistance from various agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such an audit could become a liability of the Organization.

These grants are generally awarded on an annual basis, and there is no assurance as to their continuance of future amounts to be awarded.

See accountants' report.

WOMEN BLESSING WOMEN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2008 and 2007

NOTE F - LUCAS COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES (LCJFS)

During 2008 and 2007 the Organization was awarded a contract with LCJFS, in which LCJFS covers certain costs of the Organization. The contract term runs from July 1st through June 30th. The contracts from July 1, 2007 to June 30, 2008 and July 1, 2008 to June 30, 2009 are based on the reimbursement of actual costs.

The Organization prepares a prescribed expense reimbursement form monthly and, upon approval from LCJFS, receives payment within 30 days. The December expense reimbursement request is recorded as an account receivable on the accompanying statement of assets, liabilities and net assets.

NOTE G - RETIEMENT PLAN

The Organization maintains a defined benefit pension plan for lay employees in the Catholic Diocese of Toledo who meet certain service and work hour requirements. Employees contribute 2% of their earnings and the Organization provides the remaining amount necessary to fund the Plan to pay promised benefits. The total contribution required is determined by an actuary. The Organization's contributions for the years ended December 31, 2008 and 2007 were \$2,640 and \$1,590, respectively, which represented 4% of eligible employees' gross wages.

NOTE H - DEFERRED REVENUE - GRANT

The Organization was awarded a three year grant in July 2006 for the years 2007-2009. The grants were normally received in December for the following year. As such the amounts are recorded as deferred revenue on the accompanying Statement of Assets, Liabilities and Net Assets - Modified Cash Basis and recognized as income in the year they are intended.

During 2008, the organization awarding the grant changed their accounting period and the grant for 2009 was received in October instead of December. Due to this change, the revenue was deferred for ten months instead of twelve.

NOTE I - SUBSEQUENT EVENT

In June 2009, the executive director of the Organization announced she would be retiring effective July 31, 2009. The Organization is currently searching for a replacement. The Organization is confident they will find a qualified individual soon, however if this is not the case the organization's ability to continue as a going concern could come into question.

See accountants' report.