

CBMC, INC.

Audited Financial Statements

Years Ended December 31, 2007 and 2006



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Audited Financial Statements

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CBMC, Inc.:

We have audited the accompanying statements of financial position of CBMC, Inc., 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 CBMC, Inc.'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CBMC Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 CBMC, Inc. 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.

Pershing Yoakley & Associates, P.C.

Knoxville, Tennessee
March 31, 2008

CBMC, INC.

Statements of Financial Position

	<i>December 31,</i>	
	<i>2007</i>	<i>2006</i>
ASSETS		
Cash and cash equivalents	\$ 3,248,257	\$ 3,444,154
Receivables, net	8,216	52,723
Inventories	33,952	52,819
Prepayments	40,012	28,289
Investments	224,464	219,553
Property held for sale	5,000	5,000
Property and equipment, net	196,020	228,920
Cash surrender value of life insurance policies	211,752	198,239
TOTAL ASSETS	<u>\$ 3,967,673</u>	<u>\$ 4,229,697</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 47,105	\$ 74,897
Accrued salaries, benefits, and compensated absences	147,274	130,165
Annuity obligations	150,423	157,093
TOTAL LIABILITIES	<u>344,802</u>	<u>362,155</u>
NET ASSETS		
Unrestricted	1,105,881	1,095,959
Temporarily restricted	2,392,333	2,646,926
Permanently restricted	124,657	124,657
TOTAL NET ASSETS	<u>3,622,871</u>	<u>3,867,542</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,967,673</u>	<u>\$ 4,229,697</u>

CBMC, INC.

Statements of Activities

	<i>Year Ended December 31, 2007</i>			
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
SUPPORT AND REVENUE				
Contributions	\$ 1,214,917	\$ 3,839,638	\$ -	\$ 5,054,555
Sales	99,780	-	-	99,780
Material and event support	37,255	191,033	-	228,288
Investment income	125,284	22,962	-	148,246
Other revenue	46,524	-	-	46,524
	1,523,760	4,053,633	-	5,577,393
Net assets released from restrictions	4,308,226	(4,308,226)	-	-
TOTAL SUPPORT AND REVENUE	5,831,986	(254,593)	-	5,577,393
EXPENSES AND LOSSES				
Program services				
Field ministry	3,177,851	-	-	3,177,851
Forums	704,185	-	-	704,185
Ministry tools	213,210	-	-	213,210
Leadership development and training	502,487	-	-	502,487
Outreach and conference events	202,099	-	-	202,099
TOTAL PROGRAM SERVICES	4,799,832	-	-	4,799,832
Supporting services				
General and administrative	606,810	-	-	606,810
Cost of generating support	397,743	-	-	397,743
TOTAL SUPPORTING SERVICES	1,004,553	-	-	1,004,553
TOTAL EXPENSES	5,804,385	-	-	5,804,385
Change in value of annuity obligations	17,679	-	-	17,679
TOTAL EXPENSES AND LOSSES	5,822,064	-	-	5,822,064
CHANGE IN NET ASSETS	9,922	(254,593)	-	(244,671)
NET ASSETS, beginning of year	1,095,959	2,646,926	124,657	3,867,542
NET ASSETS, end of year	\$ 1,105,881	\$ 2,392,333	\$ 124,657	\$ 3,622,871

CBMC, INC.

Statements of Activities - Continued

	<i>Year Ended December 31, 2006</i>			
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
SUPPORT AND REVENUE				
Contributions	\$ 970,771	\$ 4,454,667	\$ -	\$ 5,425,438
Sales	104,640	-	-	104,640
Material and event support	8,530	310,261	-	318,791
Investment income	120,411	-	-	120,411
Other revenue	56,140	2,790	-	58,930
	1,260,492	4,767,718	-	6,028,210
Net assets released from restrictions	4,617,183	(4,617,183)	-	-
TOTAL SUPPORT AND REVENUE	5,877,675	150,535	-	6,028,210
EXPENSES AND LOSSES				
Program services				
Field ministry	3,154,950	-	-	3,154,950
Forums	492,923	-	-	492,923
Ministry tools	192,851	-	-	192,851
Leadership development and training	397,599	-	-	397,599
Outreach and conference events	557,870	-	-	557,870
TOTAL PROGRAM SERVICES	4,796,193	-	-	4,796,193
Supporting services				
General and administrative	290,590	-	-	290,590
Cost of generating support	584,273	-	-	584,273
TOTAL SUPPORTING SERVICES	874,863	-	-	874,863
TOTAL EXPENSES	5,671,056	-	-	5,671,056
Change in value of annuity obligations	18,863	-	-	18,863
TOTAL EXPENSES AND LOSSES	5,689,919	-	-	5,689,919
CHANGE IN NET ASSETS	187,756	150,535	-	338,291
NET ASSETS, beginning of year	908,203	2,496,391	124,657	3,529,251
NET ASSETS, end of year	\$ 1,095,959	\$ 2,646,926	\$ 124,657	\$ 3,867,542

CBMC, INC.

Statements of Functional Expenses

	Year Ended December 31, 2007									
	Program Services					Supporting Activities				
	Field Ministry	Forums	Ministry Tools	Leadership Training	Outreach and Conference Events	General and Administrative	Fund Raising	Total		
Salaries	\$ 1,808,215	\$ 315,328	\$ 60,227	\$ 158,347	\$ 59,933	\$ 276,946	\$ 165,803	\$ 2,844,799		
Payroll taxes	127,179	24,258	4,897	12,325	4,514	22,065	12,334	207,572		
Other benefits	328,985	58,875	17,504	29,848	13,723	61,457	30,158	540,550		
Total salaries and benefits	2,264,379	398,461	82,628	200,520	78,170	360,468	208,295	3,592,921		
Automobile	147,569	14,779	563	8,877	744	3,804	5,485	181,821		
Travel	62,360	19,668	3,512	31,328	5,554	19,191	36,579	178,192		
Meals	60,557	7,311	396	3,900	569	4,468	4,000	81,201		
Meetings	49,192	27,880	80	30,345	113	6,532	1,526	115,668		
Rent	93,986	9,494	4,086	4,280	46,903	44,952	8,173	211,874		
Telephone	69,446	11,746	4,011	7,198	6,255	20,866	6,738	126,260		
Supplies	17,412	2,414	2,380	1,557	1,192	4,672	2,992	32,619		
Materials	30,187	10,939	52,916	3,985	473	1,738	10,882	111,120		
Printing	20,275	9,995	5,654	9,321	6,317	8,827	32,804	93,193		
Equipment	33,557	13,430	7,251	8,356	9,831	24,861	6,063	103,349		
Data processing	7,444	3,372	3,972	2,185	1,868	(672)	5,918	24,087		
Professional fees	48,486	80,097	13,152	117,085	14,196	28,337	11,055	312,408		
Postage	22,501	9,366	15,899	6,076	6,281	10,392	28,177	98,692		
Insurance	6,226	702	702	792	1,405	7,727	1,405	18,959		
Depreciation	14,926	18,478	4,709	7,463	9,418	35,275	3,910	94,179		
Interest	5,076	2,538	2,538	2,538	5,076	27,916	5,076	50,758		
Other	224,272	63,515	8,761	56,681	7,734	(2,544)	18,665	377,084		
	\$ 3,177,851	\$ 704,185	\$ 213,210	\$ 502,487	\$ 202,099	\$ 606,810	\$ 397,743	\$ 5,804,385		

See notes to financial statements.

