

**HIV/AIDS EMPOWERMENT RESOURCE
CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER FOR
FINANCIAL STATEMENT WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008**

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INDEPENDENT AUDITORS' REPORT

Corporation Division
HIV/AIDS Empowerment Resource Center for Young Women, Inc.
d/b/a Empowerment Resource Center
P O Box 888104
Atlanta, Georgia 30356

We have audited the accompanying Statement of Financial Position of HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center for Young Women, Inc. (a non-profit organization) as of December 31, 2008 and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the year then ended. These financial statements are the responsibility of HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center, Inc. as of December 31, 2008 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

R. Michael LaBounty & Associates, PC

Atlanta, Georgia
January 30, 2009

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008

ASSETS

ASSETS:

| | | |
|-----------------------|----|---------------------|
| Cash | \$ | 2,968 |
| Furniture & equipment | | <u>1,529</u> |
| Total assets | \$ | <u><u>4,497</u></u> |

LIABILITIES AND NET ASSETS

LIABILITIES:

| | | |
|-------------------|----|--------------|
| Demand loans | \$ | <u>1,117</u> |
| Total liabilities | | <u>1,117</u> |

NET ASSETS:

| | | |
|----------------------------------|----|---------------------|
| Unrestricted | | <u>3,380</u> |
| Total liabilities and net assets | \$ | <u><u>4,497</u></u> |

SEE ACCOMPANYING NOTES

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE AND SUPPORT:

| | |
|---------------------------|----------------|
| Contributions | \$ 6,657 |
| Donations in kind | <u>128,910</u> |
| Total revenue and support | <u>135,567</u> |

EXPENSES:

| | |
|-------------------------------------|-----------------|
| Program expenses | 109,994 |
| Fundraising expenses | 17,417 |
| General and administrative expenses | <u>4,790</u> |
| Total expenses | <u>132,201</u> |
| Increase in unrestricted net assets | 3,366 |
| Net assets - beginning of year | <u>14</u> |
| Net assets - end of year | <u>\$ 3,380</u> |

SEE ACCOMPANYING NOTES

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

| | <u>Program Expenses</u> | <u>Fundraising Expenses</u> | <u>General and Adm. Exp.</u> | <u>Total Expenses</u> |
|-------------------|-----------------------------|---------------------------------|----------------------------------|---------------------------|
| Personnel | \$ 66,042 | \$ 17,417 | \$ 3,575 | \$ 87,034 |
| Professional fees | 26,000 | - | - | 26,000 |
| Supplies | 11,495 | - | 418 | 11,913 |
| Facilities | 3,100 | - | - | 3,100 |
| Events | 1,881 | - | - | 1,881 |
| Other | 1,476 | - | - | 1,476 |
| Office expense | - | - | 797 | 797 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total expenses | <u>\$ 109,994</u> | <u>\$ 17,417</u> | <u>\$ 4,790</u> | <u>\$ 132,201</u> |

SEE ACCOMPANYING NOTES

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC..
d/b/a EMPOWERMENT RESOURCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | |
|---|------------------------|
| CASH FLOWS PROVIDED BY OPERATING ACTIVITIES: | |
| Increase in net assets | \$ 3,366 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities | |
| Depreciation | <u>500</u> |
| Cash provided by operating activities | 3,866 |
| CASH FLOWS (USED BY) IN INVESTING ACTIVITIES: | |
| Purchase of fixed assets | (2,029) |
| CASH FLOWS PRODUCED BY FINANCIAL ACTIVITIES: | |
| Proceeds from demand loans | <u>1,117</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,954 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>14</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>\$ 2,968</u></u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | |
| Cash paid during the year for: | |
| Interest | \$ <u><u>0</u></u> |
| Income taxes | \$ <u><u>0</u></u> |

SEE ACCOMPANYING NOTES

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

HIA/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center (The Organization) was incorporated as a nonprofit Organization in June 2006. The Organization delivers programs and generates solutions to society and community issues that increase HIV transmission in minority women and girls, such as sexual abuse, literacy, domestic violence, substance abuse, and poor health conditions. The Organization is located in Atlanta, Georgia.

Note 1 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization's management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Goods And Services

Donated goods and services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made* if the goods or services (a) create or enhance nonfinancial assets or are used for program supplies or (b) require specialized skills and are performed by people with those skills and (c) would otherwise be purchased by the Organization. During 2008, the Organization recognized in-kind donations of \$ 128,910.

Tax Exempt Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2008, the Organization did not have any unrelated business income, and accordingly, no unrelated business income tax.

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
d/b/a EMPOWERMENT RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments

The Organization has also previously implemented SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with SFAS No. 124, all investments in equity securities with a readily determinable market value and all investments in debt securities are reported at fair market value with gains and losses included in the statements of activities.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Costs Allocated to Programs

The Organization applies allocation formulas to certain groups of expenses to make allocations of expenses to administration, resource development and programs. The allocation formulas are derived from cost of labor based upon personnel assignments and upon the space and resources assigned to the personnel involved in an activity. In addition, there are analyses of time expended for certain activities. Allocation formulas are reevaluated annually or as material changes warrant.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.