

**HIV/AIDS EMPOWERMENT RESOURCE
CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 AND 2009**

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INDEPENDENT AUDITOR'S REPORT

Corporation Division
HIV/AIDS Empowerment Resource Center for Young Women, Inc.
d/b/a Empowerment Resource Center
236 Auburn Avenue
Suite 200
Atlanta, GA 30303

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 (a non-profit organization) as of December 31, 2008 and 2009 and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years 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 2009 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

R. MICHAEL LABOUNTY & ASSOCIATES, P.C.

Atlanta, Georgia
April 8, 2010

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2008 AND 2009**

	2008	2009
ASSETS		
ASSETS:		
Cash	\$ 2,968	\$ 1,933
Grants receivable	-	11,800
Furniture & equipment - net	1,529	3,628
Deposit	<u>-</u>	<u>519</u>
Total assets	<u>\$ 4,497</u>	<u>\$ 17,880</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ -	\$ 6,696
Demand loans	<u>1,117</u>	<u>71</u>
Total liabilities	<u>1,117</u>	<u>6,767</u>
NET ASSETS:		
Unrestricted	<u>3,380</u>	<u>11,113</u>
Total liabilities and net assets	<u>\$ 4,497</u>	<u>\$ 17,880</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**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 YEARS ENDED DECEMBER 31, 2008 AND 2009**

	2008	2009
REVENUE AND SUPPORT:		
Government grants	\$ -	\$ 85,374
Contributions	6,657	6,099
Donations in kind	<u>128,910</u>	<u>126,412</u>
Total revenue and support	<u>135,567</u>	<u>217,885</u>
EXPENSES:		
Program expenses	109,994	161,694
Fundraising expenses	17,417	27,944
General and administrative expenses	<u>4,790</u>	<u>20,514</u>
Total expenses	<u>132,201</u>	<u>210,152</u>
INCREASE IN UNRESTRICTED NET ASSETS	3,366	7,733
NET ASSETS - BEGINNING OF YEAR	<u>14</u>	<u>3,380</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,380</u></u>	<u><u>\$ 11,113</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**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 AND 2009**

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>G & A Expenses</u>	<u>Total Expenses</u>
DECMEBER 31, 2008				
Personnel expenses	\$ 92,042	\$ 17,417	\$ 3,575	\$ 87,034
Supplies	11,495	-	418	11,913
Facilities	3,100	-	-	3,100
Office expense	1,476	-	797	2,273
Events	1,881	-	-	1,881
	<u>109,994</u>	<u>17,417</u>	<u>4,790</u>	<u>106,201</u>
Total expenses	\$ <u>109,994</u>	\$ <u>17,417</u>	\$ <u>4,790</u>	\$ <u>106,201</u>
DECMEBER 31, 2009				
Personnel expenses	\$ 104,647	\$ 26,852	\$ 14,611	\$ 146,110
Supplies	18,649	650	2,184	21,483
Public service announcements	21,221	-	-	21,221
Facilities	9,656	-	552	10,208
Office expense	7,521	442	884	8,847
Professional fees	-	-	2,283	2,283
	<u>161,694</u>	<u>27,944</u>	<u>20,514</u>	<u>210,152</u>
Total expenses	\$ <u>161,694</u>	\$ <u>27,944</u>	\$ <u>20,514</u>	\$ <u>210,152</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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 AND 2009

	2008	2009
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 3,366	\$ 7,733
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	500	-
(Increase) in grants receivable	-	(11,800)
(Increase) in security deposit	-	(519)
Increase in accounts payable	-	6,696
	<u>3,866</u>	<u>2,110</u>
CASH FLOWS (USED BY) IN INVESTING ACTIVITIES:		
Purchase of furniture and equipment	<u>(2,029)</u>	<u>(2,099)</u>
CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES:		
Proceeds from demand loans	1,117	-
Repayment of demand loans	<u>-</u>	<u>(1,046)</u>
	<u>1,117</u>	<u>(1,046)</u>
NET INCREASE (DECREASE) IN CASH	2,954	(1,035)
CASH, BEGINNING OF YEAR	<u>14</u>	<u>2,968</u>
CASH, END OF YEAR	\$ <u>2,968</u>	\$ <u>1,933</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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 AND 2009

HIV/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 affect HIV transmission, 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 generally accepted accounting principles. 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.

Donated Assets

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

Donated Goods And Services

Donated goods and services are recognized as contributions 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 and 2009, the Organization recognized in-kind donations of \$128,910 and \$126,412, respectively.

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 and 2009, 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 AND 2009**

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments

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.

Note 2 – Office Lease

The Organization leases office space under an operating lease expiring in November 2011. Rental expenses for the lease in 2009 was \$7,328. As of December 31, 2009, minimum future rental payments under the non-cancelable operating lease having a remaining term in excess of one year are:

Year ended December 31,		
2010	\$	13,644
2011		<u>12,507</u>
Total	\$	<u>26,151</u>

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2009

Note 3 – Concentration of Credit Risks

The Organization maintains cash balances at a national financial institution. The account balances (as reflected in the Organization's records) are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). There were no balances in excess of the FDIC limit at December 31, 2008 and 2009. Management believes that the quality of the financial institutions with which these amounts are deposited render the risk of loss minimal.

Note 4 – Economic Environment

During 2008, the United States and global credit markets became illiquid. This has resulted in several high-profile investment and commercial bank failures. These problems have affected the broader U.S. and global markets, as well as consumer confidence. The U.S. stock market has fallen significantly from its September 2008 level. It is uncertain how this downturn in the financial markets and consumer confidence may affect the operations, funding and contribution income of nonprofit organizations in the near future.

Note 5 – Subsequent Events

Management has evaluated events and transactions which occurred through April 8, 2010, which was the date the financial statements were available to be issued. As a result determined no events or transactions are required to be discussed.