

**HIV/AIDS EMPOWERMENT RESOURCE CENTER  
FOR YOUNG WOMEN, INC.  
D/B/A EMPOWERMENT RESOURCE CENTER  
FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2009 AND 2010**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
HIV/AIDS Empowerment Resource Center for Young Women, Inc.  
d/b/a Empowerment Resource Center  
236 Auburn Avenue NE  
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 (the Organization) as of December 31, 2009 and 2010 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 upon 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 as of December 31, 2009 and 2010 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  
July 20, 2011

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.  
D/B/A EMPOWERMENT RESOURCE CENTER  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2009 AND 2010**

	<b>2009</b>	<b>2010</b>
<b>ASSETS</b>		
<b>ASSETS:</b>		
Cash	\$ 1,933	\$ 337
Grants receivable	11,800	12,250
Furniture & equipment - net	3,628	3,423
Deposit	<u>519</u>	<u>1,183</u>
Total assets	<u>\$ 17,880</u>	<u>\$ 17,193</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 6,696	\$ 11,753
Demand loans	<u>71</u>	<u>1,000</u>
Total liabilities	<u>6,767</u>	<u>12,753</u>
<b>NET ASSETS:</b>		
Unrestricted	<u>11,113</u>	<u>4,440</u>
Total liabilities and net assets	<u>\$ 17,880</u>	<u>\$ 17,193</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, 2009 AND 2010**

	2009	2010
<b>REVENUE AND SUPPORT:</b>		
Government grants	\$ 85,374	\$ 103,340
Contributions	6,304	6,183
Donations in kind	<u>126,412</u>	<u>109,340</u>
Total revenue and support	<u>218,090</u>	<u>218,863</u>
<b>EXPENSES:</b>		
Program expenses	161,694	166,106
Fundraising expenses	27,944	33,357
General and administrative expenses	<u>20,514</u>	<u>26,073</u>
Total expenses	<u>210,152</u>	<u>225,536</u>
INCREASE IN UNRESTRICTED NET ASSETS	7,938	(6,673)
NET ASSETS - BEGINNING OF YEAR	<u>3,380</u>	<u>11,113</u>
NET ASSETS - END OF YEAR	<u>\$ 11,113</u>	<u>\$ 4,440</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 YEARS ENDED DECEMBER 31, 2009 AND 2010**

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>G &amp; A Expenses</u>	<u>Total Expenses</u>
<b>DECEMBER 31, 2009</b>				
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>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 161,694</u>	<u>\$ 27,944</u>	<u>\$ 20,514</u>	<u>\$ 210,152</u>
 <b>DECEMBER 31, 2010</b>				
Personnel expenses	\$ 130,289	\$ 32,572	\$ 18,096	\$ 180,957
Facilities	18,495	-	973	19,468
Supplies	9,597	331	1,103	11,031
Office expense	7,725	454	909	9,088
Professional fees	-	-	4,992	4,992
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 166,106</u>	<u>\$ 33,357</u>	<u>\$ 26,073</u>	<u>\$ 225,536</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 YEARS ENDED DECEMBER 31, 2009 AND 2010**

	<b>2009</b>	<b>2010</b>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 7,733	\$ (6,673)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	-	-
(Increase) Decrease in grants receivable	(11,800)	(450)
(Increase) in security deposit	(519)	(664)
Increase in accounts payable	<u>6,696</u>	<u>5,057</u>
Net cash provided by operating activities	<u>2,110</u>	<u>(2,730)</u>
<b>CASH FLOWS (USED BY) INVESTING ACTIVITIES:</b>		
Purchase of furniture and equipment	<u>(2,099)</u>	<u>205</u>
<b>CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES:</b>		
Proceeds from demand loans	-	929
Repayment of demand loans	<u>(1,046)</u>	<u>-</u>
Net cash provided by (used by) financing activities	<u>(1,046)</u>	<u>929</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,035)</b>	<b>(1,596)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>2,968</u></b>	<b><u>1,933</u></b>
<b>CASH, END OF YEAR</b>	<b><u><u>\$ 1,933</u></u></b>	<b><u><u>\$ 337</u></u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
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 THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2010**

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 societal and community issues affecting 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.

**Cash and Cash Equivalents** - Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less.

**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 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 upon 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.

**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 2009 and 2010, the Organization recognized in-kind donations of \$126,412 and \$109,340, respectively.

**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.



**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.**  
**D/B/A EMPOWERMENT RESOURCE CENTER**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2010**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**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 charitable contribution deductions 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, 2009 and 2010 the Organization did not have any unrelated business income, and accordingly, no unrelated business income tax. The Financial Accounting Standards Board has issued an Interpretation clarifying when an uncertainty in income taxes should be recognized or disclosed in the Organization's financial statements. As allowed under this Interpretation, the Organization has elected to defer its adoption.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which 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 years. 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 expense for the lease in 2009 and 2010 was \$7,328 and \$14,664, respectively. As of December 31, 2010, minimum future rental payments under the non-cancelable operating lease having a remaining term in excess of one year are:

Year ended December 31,	
2011	\$ <u>12,507</u>
Total	\$ <u>12,507</u>

**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, 2009 and 2010. 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 2010 and thus far in 2011, the United States and global credit markets continue to be impacted by the financial crisis which occurred in 2008, resulting 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. 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 July 20, 2011, which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no events or transactions are required to be disclosed.