

**Women's Empowerment  
FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

# **Women's Empowerment**

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# POMARES GARDNER

AN ACCOUNTANCY CORPORATION

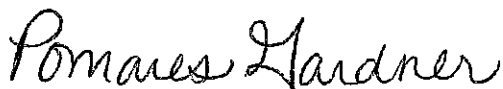
## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Women's Empowerment  
Sacramento, California

We have audited the accompanying statements of financial position of the Women's Empowerment as of December 31, 2009 and 2008, and the related statements of activity, cash flows, and statement of functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 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 the Women's Empowerment as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles accepted in the United States of America.



Pomares Gardner  
An Accountancy Corporation

August 10, 2010  
Sacramento, CA

Women's Empowerment  
STATEMENT OF FINANCIAL POSITION  
December 31

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets		
Cash - Note 3	\$ 243,413	\$ 227,432
Investments - Note 7	41,964	0
Grants Receivable	75,000	50,000
Prepaid Expenses	<u>1,076</u>	<u>946</u>
Total Current Assets	361,453	278,378
Fixed Assets - Note 4	10,541	5,540
Software	<u>5,490</u>	<u>9,150</u>
<b>Total Assets</b>	<b><u>\$ 377,484</u></b>	<b><u>\$ 293,068</u></b>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 2,127	\$ 11,910
Accrued Benefits Payable - Note 5	<u>12,777</u>	<u>7,522</u>
Total Current Liabilities	14,904	19,432
Net Assets		
Unrestricted	\$ 287,380	\$ 243,436
Temporarily Restricted - Note 9	<u>75,200</u>	<u>30,200</u>
Total Net Assets	<u>362,580</u>	<u>273,636</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 377,484</u></b>	<b><u>\$ 293,068</u></b>

See notes to the financial statements

Women's Empowerment

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31

	<u>2009</u>	<u>2008</u>
Unrestricted Revenue & Support		
Grants	\$ 122,048	\$ 129,488
In-Kind Goods & Services	179,537	208,631
Contributions	127,356	98,923
Unrealized Gain (Loss) on Investments	(444)	0
Interest Income	4,119	8,743
	<u>432,616</u>	<u>445,785</u>
Special Events	150,851	72,792
Less: Direct Costs	<u>(57,590)</u>	<u>(41,126)</u>
Net Special Events	93,261	31,666
Net Assets Released From Restriction	<u>30,000</u>	<u>36,000</u>
Total Unrestricted Revenue & Support	555,877	513,451
Expenses		
Program Services	409,301	375,908
General and Administrative	37,745	41,780
Fundraising	64,887	37,295
Total Expenses	<u>511,933</u>	<u>454,983</u>
Net Increase in Unrestricted Net Assets	43,944	58,468
Changes in Temporarily Restricted Net Assets		
Donations	0	200
Grants	75,000	0
Net Assets Released from Restriction	<u>(30,000)</u>	<u>(36,000)</u>
Net Increase(Decrease) in Temporarily Restricted Net Asset	45,000	(35,800)
Increase(Decrease) in Net Assets	88,944	22,668
Net Assets, Beginning of Year	<u>273,636</u>	<u>250,968</u>
Net Assets, End of Year	<u>\$ 362,580</u>	<u>\$ 273,636</u>

See notes to the financial statements

Women's Empowerment  
STATEMENT OF CASH FLOWS  
For the Years Ended December 31

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 88,944	\$ 22,668
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and amortization	6,100	2,854
In-kind contribution of fixed assets and software	(3,200)	(14,880)
Unrealized (gain)/loss on investments	444	0
(Increase)/Decrease in:		
Prepaid Expenses	(130)	(946)
Grants Receivable	(25,000)	(15,000)
(Decrease)/Increase in:		
Accounts Payable	(9,783)	11,910
Accrued Liabilities	<u>5,255</u>	<u>7,522</u>
Net Cash Provided by Operating Activities	<u>62,630</u>	<u>14,128</u>
Cash Flows from Investing Activities		
Purchases of Equipment	(4,241)	
Purchases of Mututal Funds	<u>(42,408)</u>	<u>0</u>
Net Cash (Used in) Investing Activities	(46,649)	0
Net Increase (Decrease) in Cash and Cash Equivalents	15,981	14,128
Cash and Cash Equivalents, Beginning of Year	<u>227,432</u>	<u>213,304</u>
Cash and Cash Equivalents, End of Year	<u>\$ 243,413</u>	<u>\$ 227,432</u>

See notes to the financial statements

Women's Empowerment

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2009 and Total for 2008

	Total Program Services	General and Administrative	Fund-Raising	Total Support Services	Current Year Total Expenses	Prior Year Total
Wages & Salaries	\$ 146,095	\$ 17,258	\$ 32,294	\$ 49,552	\$ 195,647	\$ 158,042
Benefits & Taxes	43,398	4,975	4,820	9,795	53,193	48,207
Other Personnel Costs	1,733	60	-	60	1,793	715
Professional Services	6,661	1,777	-	1,777	8,438	23,335
Assistance to Students	896	-	-	-	896	1,049
Other Program Services	16,965	-	-	-	16,965	7,932
Educational Supplies	673	-	-	-	673	764
Appeal Letter	-	-	7,627	7,627	7,627	7,420
Events	-	-	-	-	-	236
Marketing	-	-	1,287	1,287	1,287	2,532
Occupancy Costs	14,155	1,558	-	1,558	15,713	17,440
Utilities	3,512	388	-	388	3,900	3,000
Telephone	3,273	363	-	363	3,636	4,750
Insurance	1,968	1,821	-	1,821	3,789	1,937
Other Operating Expenses	4,610	-	-	-	4,610	4,332
Bank Fees	-	-	1,281	1,281	1,281	1,094
Office Supplies	7,483	831	-	831	8,314	7,110
Postage & Delivery	-	1,734	-	1,734	1,734	1,076
In-Kind Goods & Services	153,439	5,320	17,578	22,898	176,337	161,158
<b>Total Expenses Before Depreciation</b>	<b>404,861</b>	<b>36,085</b>	<b>64,887</b>	<b>100,972</b>	<b>505,833</b>	<b>452,129</b>
Depreciation and Amortization	4,440	1,660	0	1660	6,100	2,854
<b>Total Expenses</b>	<b>\$ 409,301</b>	<b>\$ 37,745</b>	<b>\$ 64,887</b>	<b>\$ 102,632</b>	<b>\$ 511,933</b>	<b>\$ 454,983</b>

See notes to the financial statements

Women's Empowerment  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

NOTE 1 ORGANIZATION:

The mission of Women's Empowerment is to educate and empower women who are homeless with the skills and the confidence necessary to get a job, create a healthy lifestyle and regain a home for themselves and their children. It was incorporated as an independent non-profit organization on January 1, 2004.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Accounting

The financial statements of the Agency are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred.

B. Basis of Presentation

The Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. A description of the three net asset categories follows:

*Unrestricted* - net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

*Temporarily Restricted* - net assets whose use by the Agency is subject to donor-imposed restrictions that can be fulfilled by actions of the Agency pursuant to those restrictions or that expire by passage of time.

*Permanently Restricted* - net assets subject to donor-imposed restrictions that they be maintained permanently by the Agency.

C. Cash and Cash Equivalents

For the statement of financial position and the statement of cash flows, cash and cash equivalents are defined as all highly liquid investments available for current use with an initial maturity of three months or less.



Women's Empowerment  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. Grants Receivable

All grant receivables are deemed by management to be collectible. The allowance for doubtful accounts is zero.

E. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Fair market value is determined by quoted prices in an active market.

F. Fixed Assets

Fixed assets consist of computers and presentation equipment and are recorded at cost when purchased, or if donated, at their estimated fair market value at the date of donation. All acquisitions of fixed assets in excess of \$500 with useful lives of three years or more, and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. The policy of the Agency is to provide for depreciation over the estimated useful lives of the assets by the straight-line method.

G. Intangible Assets

Intangible assets consist of computer software and are recorded at cost when purchased, or if donated, at the estimated fair market value at the date of donation. Software is amortized over an estimated useful life of three years.

H. Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. 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 restriction.

Women's Empowerment  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

J. In-Kind Contributions

The value of certain donated services represents the donors' estimate of the amount that those services would cost if not donated. These amounts have been reflected in the financial statements for the services donated to the Agency.

However, many other individuals volunteer their time and perform a variety of tasks that assist the Agency with specific programs, and fund raising activities that do not meet the criteria for recognition. The estimated fair value of the contributed services received, but not recognized, for the years ended December 31, 2009 and 2008 is \$57,608 and \$25,704 respectively.

K. Functional Expenses

The cost of providing various programs and supporting services has been reported on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services based on estimates made by management.

L. Income Taxes

The Women's Empowerment, a not-for-profit organization operating under Section 501 (c)(3) of the Internal Revenue code, is exempt from federal, state, and local income taxes and, accordingly, no provisions for income taxes is included in the financial statements. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Women's Empowerment  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 3 CASH:

Cash consists of the following:

	<u>2009</u>	<u>2008</u>
Checking	\$ 91,893	\$ 54,819
Savings	10,026	10,001
Money Market	8,646	8,642
Certificates of Deposit	107,420	145,738
Undeposited Funds	25,228	7,963
Petty Cash on hand	200	269
Total Cash Balance	<u>\$ 243,413</u>	<u>\$ 227,432</u>

NOTE 4 FIXED ASSETS:

Fixed assets consist of the following:

	<u>2009</u>	<u>2008</u>
Computer Equipment	\$ 12,829	\$ 8,088
Office Furniture and Equipment	\$ 2,700	\$ 8,088
Presentation Equipment	700	\$ 700
Less Accumulated Depreciation	<u>(5,688)</u>	<u>(3,248)</u>
Total Equipment	<u>\$ 10,541</u>	<u>\$ 5,540</u>

Depreciation for the year ended December 31, 2009 and 2008 is \$2,440 and \$1,024 respectively.

NOTE 5 ACCUMULATED VACATION AND SICK LEAVE:

Eligible employees begin accruing vacation from the start of employment. All employees are eligible for vacation except for temporary, seasonal or on-call employees. The amount accrued per pay period is based on hours worked and length of employment.

NOTE 6 RETIREMENT PLAN:

A Simple IRA retirement plan was established in October 2008. All employees are eligible to participate after 90 days of employment. Eligible employees may make a salary reduction contribution and Women's Empowerment will match up to 3% of the annual salary of a participating employee. Funds are remitted for the employee and employer contributions each pay period. The amount of employer contributions for 2009 and 2008 are \$3,707 and \$2,848 respectively. There are no unfunded liabilities as of December 31, 2009.

Women's Empowerment  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 7 FAIR VALUE OF INVESTMENTS:

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives that highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or pluralities in active markets.

Level 2 - Inputs to the valuation methodology include:

- a) quoted prices for similar assets or liabilities in active markets;
- b) quoted prices for identical or similar assets or liabilities in inactive markets;
- c) inputs other than quoted prices that are observable for the asset or liability;
- d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

The organization invested funds in level 1 mutual funds. Investments in these mutual funds are based on quoted market prices for the identical security in an active market.

NOTE 8 LEASE COMMITMENTS:

Women's Empowerment leases office space under a month-to-month operating lease. The 2009 and 2008 annual rent expense is \$16,415 and \$16,415 respectively. A 36-month operating lease for an office copier was established in 2007. The future minimum rental payments are as follows:

2010

560

Women's Empowerment  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2009 and 2008

NOTE 9 NET ASSETS:

Temporarily restricted net assets are restricted to the following purposes:

	<u>2009</u>	<u>2008</u>
Net Asset Balance, beginning of year	\$ 30,200	\$ 66,000
Donations for specific purpose	0	200
Grant funds for 2010 programs	75,000	0
Grant funds released for 2008 programs	0	(30,000)
Grant funds released for 2009 programs	(30,000)	0
Grants released for specific purpose	0	(6,000)
Net Asset Balance, end of year	<u>\$ 75,200</u>	<u>\$ 30,200</u>

NOTE 10 CONCENTRATIONS:

One Donor provides discounted rent for operations as well as catering for the major fundraising event each year. This donor accounts for 22% of the total in-kind goods and services received by the organization for the year ended December 31, 2009.

NOTE 11 SUBSEQUENT EVENTS:

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 10, 2010, which is the date the financial statements were available to be issued.