

NATIONAL AFRICAN-AMERICAN WOMEN'S
LEADERSHIP INSTITUTE

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2009 AND 2008

NATIONAL AFRICAN-AMERICAN WOMEN'S LEADERSHIP INSTITUTE

SEPTEMBER 30, 2009 AND 2008

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LORI K. ORTA, P.C.

Certified Public Accountant

Independent Auditor's Report

To the Board of Directors of
National African-American Women's Leadership Institute

We have audited the accompanying statements of financial position of National African-American Women's Leadership Institute (a non-profit organization) as of September 30, 2009 and 2008 respectively, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization'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 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 National African-American Women's Leadership Institute as of September 30, 2009 and 2008 respectively, and the results of its activities and 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.

Plano, Texas
October 7, 2010

National African-American Women's Leadership Institute
 STATEMENTS OF FINANCIAL POSITION
 September 30,

ASSETS

	2009	2008
CURRENT ASSETS		
Cash	\$ 101,479	\$ 10,695
Cash - temporarily restricted	84,000	-
Investments - temporarily restricted	-	22,639
Investments	25,720	2,744
Total current assets	211,199	36,078
PROPERTY AND EQUIPMENT AT COST - NET	2,927	3,543
	\$ 214,126	\$ 39,621

NET ASSETS

NET ASSETS		
Unrestricted	\$ 130,126	\$ 16,982
Temporarily restricted	84,000	22,639
	214,126	39,621
	\$ 214,126	\$ 39,621

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended September 30, 2009

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Corporate and individual contributions	\$ 122,254	\$ 84,000	\$ 206,254
Tuition	71,300	-	71,300
Interest income	1,017	-	1,017
Net assets released from restrictions	22,639	(22,639)	-
Total support and revenues	217,210	61,361	278,571
EXPENSES			
Program services	88,122	-	88,122
Management and general	15,944	-	15,944
Total expenses	104,066	-	104,066
Changes in net assets	113,144	61,361	174,505
NET ASSETS at beginning of year	16,982	22,639	39,621
NET ASSETS at end of year	\$ 130,126	\$ 84,000	\$ 214,126

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended September 30, 2008

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
Corporate and individual contributions	\$ 31,790	\$ 84,000	\$ 115,790
Tuition	47,850	-	47,850
Special event	35,344	-	35,344
Less: direct expenses	(25,600)	-	(25,600)
Net special event	9,744	-	9,744
Interest income	571	-	571
Net assets released from restrictions	91,283	(91,283)	-
Total support and revenues	181,238	(7,283)	173,955
EXPENSES			
Program services	131,128	-	131,128
Management and general	53,538	-	53,538
Total expenses	184,666	-	184,666
Changes in net assets	(3,428)	(7,283)	(10,711)
NET ASSETS at beginning of year	20,410	29,922	50,332
NET ASSETS at end of year	\$ 16,982	\$ 22,639	\$ 39,621

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
 STATEMENTS OF CASH FLOWS
 For the Years Ended September 30,

	2009	2008
Increase (decrease) in cash		
Cash flows from operating activities:		
Change in net assets	\$ 174,505	\$ (10,711)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
In-kind revenue	-	(1,399)
Loss on sale of fixed asset	-	405
Depreciation	1,358	1,236
Changes in operating assets and liabilities, net		
Prepaid expenses	-	403
Net cash provided by (used in) operating activities	175,863	(10,066)
Cash flows from investing activities:		
Additions to property and equipment	(742)	-
Change in cash - temporarily restricted	(84,000)	-
Change in investments - temporarily restricted	22,639	-
Acquisition of investments	(22,639)	-
Interest reinvested in certificate of deposit	(337)	(461)
Net cash provided by (used in) investing activities	(85,079)	(461)
Increase (decrease) in cash	90,784	(10,527)
Cash and cash equivalents at beginning of year	10,695	21,222
Cash and cash equivalents at end of year	\$ 101,479	\$ 10,695
Supplemental disclosure of non-cash transactions:		
In-kind donation of property and equipment	\$ -	\$ 1,399

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2009

	Program Services	Management and General	Total
Audit and accounting fees	\$ 1,663	\$ 1,662	\$ 3,325
Awards and grants	201	-	201
Bank service charge	-	233	233
Board expenses	3,184	-	3,184
Contractual services	12,072	8,047	20,119
Depreciation	-	1,358	1,358
Graduation/recruitment reception	16,274	-	16,274
Insurance	-	767	767
Office space rent	500	500	1,000
Postage and shipping	130	130	260
Printing and publications	1,380	1,379	2,759
Professional fees	-	225	225
Program consultants	20,315	-	20,315
Program meals	26,279	-	26,279
Supplies	1,198	1,198	2,396
Telephone	3,306	-	3,306
Temporary services	120	120	240
Travel	630	-	630
Other expenses	870	-	870
Miscellaneous	-	325	325
	<u>\$ 88,122</u>	<u>\$ 15,944</u>	<u>\$ 104,066</u>

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2008

	Program Services	Management and General	Total
Audit and accounting fees	4,744	4,743	9,487
Awards and grants	2,421	-	2,421
Bank service charge	-	173	173
Board expenses	10,009	-	10,009
Contractual services	41,988	27,992	69,980
Depreciation	-	1,236	1,236
Graduation/recruitment reception	10,868	-	10,868
Insurance	-	1,871	1,871
Loss on disposal of fixed assets	-	405	405
Office space rent	3,500	3,500	7,000
Postage and shipping	759	759	1,518
Printing and publications	270	269	539
Professional fees	-	1,450	1,450
Program consultants	24,480	-	24,480
Program meals	13,947	-	13,947
Supplies	2,476	2,475	4,951
Temporary services	7,972	7,971	15,943
Travel	7,081	-	7,081
Other expenses	613	-	613
Miscellaneous	-	694	694
	<u>\$ 131,128</u>	<u>\$ 53,538</u>	<u>\$ 184,666</u>

The accompanying notes are an integral part of these financial statements.

National African-American Women's Leadership Institute
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

National African-American Women's Leadership Institute (the "Organization") is a non-profit corporation organized to develop the leadership potential of African-American women and to promote community service through volunteerism, to acquaint African-American women with public policy development and decision making, to encourage African-American women to work for constructive change in their neighborhoods and communities, and to create a national network of African-American women from diverse backgrounds, interests, and life experiences who are committed to improving the economic, social, educational, and health status of African-Americans.

Accounting Standards Codification

Beginning on July 1, 2009, the Financial Accounting Standards Board ("FASB") implemented a new accounting referencing system known as the Accounts Standard Codification ("ASC"). This new reporting and disclosure method is an applicable method for annual and interim periods ending after September 15, 2009. The accompanying financial statements have been prepared with the use of the ASC reference system. The ASC does not alter current accounting principles generally accepted in the United States of America ("GAAP"), but rather integrates existing accounting standards with other authoritative guidance. The ASC provides a single source of authoritative GAAP for nongovernmental entities and supersedes all other previously issued non-public accounting and reporting guidance. The adoption of the ASC did not have any effect on the Organization's financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For reporting purposes, resources are classified into three net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that are to be met either by actions of the Organization and/or the passage of time. 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.

Permanently restricted net assets - net assets subject to donor-imposed stipulations that are to be maintained permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets as of September 30, 2009 and 2008.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. It maintains cash balances at financial institutions in Dallas, Texas, which at times may exceed federally insured limits. Effective October 3, 2008, FDIC deposit insurance temporarily increased from \$100,000 to \$250,000 per depositor through December 13, 2013. Effective July 21, 2010, FDIC deposit insurance permanently increased from \$100,000 to \$250,000 per depositor.

National African-American Women's Leadership Institute
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

As of September 30, 2009, investments consisted of a certificate of deposit whose cost and approximate fair value was \$25,720. As of September 30, 2008, investments consisted of a certificate of deposit whose cost and approximate fair value was \$25,383.

Property, Plant and Equipment

Property is stated at cost or at estimated fair value at the date of donation in the case of donated assets. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets. The organization capitalizes purchases of property and equipment with a cost of greater than \$500 and an estimated useful life of greater than one year; otherwise, these purchases are expensed as incurred.

Contributions

Contributions are recognized as revenue in the period earned. All contributions are available for unrestricted use unless specifically restricted by the donor.

Tuition

The Organization conducts leadership sessions. Participants pay a tuition fee to attend the sessions.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities for the years ended September 30, 2009 and 2008. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. For the years ended September 30, 2009 and 2008, the Organization had no material net unrelated business income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

National African-American Women's Leadership Institute
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Materials

The Organization occasionally benefits from the services of volunteers in various program activities. The services donated are not identical to services the donor would usually charge a fee to provide; therefore, a monetary amount cannot be assigned to the value of these services. Significant donated materials are recorded at their fair value as a contribution and related purchase.

2. PROPERTY, PLANT AND EQUIPMENT

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives range from 5 to 10 years. Depreciation expense was \$1,358 in 2009 and \$1,236 in 2008. The cost of related assets and accumulated depreciation were as follows at September 30,:

	2009	2008
Computer equipment	\$ 5,506	\$ 5,506
Office equipment	2,147	2,147
Other equipment	742	-
	8,395	7,653
Less accumulated depreciation	(5,468)	(4,110)
Total	\$ 2,927	\$ 3,543

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of donations and grants restricted for the following purposes at September 30,:

	2009	2008
Contractual services, graduation/reception, program consultants, and program meals	\$ 84,000	\$ 22,639

4. RELATED PARTY TRANSACTIONS

For the year ended September 30, 2009, the Organization leased its office space from a board member for \$1,000. For the year ended September 30, 2008, the Organization leased its office space from a board member for \$7,000.

5. CONCENTRATIONS

Approximately 81% of the Organization's total support was received from one donor for the year ended September 30, 2009. Approximately 50% of the Organization's total support was received from one donor for the year ended September 30, 2008.

6. SUBSEQUENT EVENTS

In preparing financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 7, 2010, the date the financial statements were available to be issued.