

*Paritz & Company, P.A.*

**COUNT ME IN FOR WOMEN'S  
ECONOMIC INDEPENDENCE, INC.**

*AUDITED FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT*

*YEAR ENDED SEPTEMBER 30, 2008*

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Count Me In For Women's  
Economic Independence, Inc.  
New York, New York

We have audited the accompanying statement of financial position of Count Me In For Women's Economic Independence, Inc. (the "Organization") as of September 30, 2008 and the related statements of activities, functional expenses and cash flows for the year 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 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 Count Me In For Women's Economic Independence, Inc. as of September 30, 2008, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Hackensack, New Jersey  
January 5, 2009

COUNT ME IN FOR WOMEN'S ECONOMIC INDEPENDENCE, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2008

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<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$1,219,256
Current portion of contributions receivable	865,333
Loans receivable - program	703,679
Allowance for doubtful loans	<u>(175,920)</u>
<b>TOTAL CURRENT ASSETS</b>	<b>2,612,348</b>
Contributions receivable - less current portion	804,961
Property and equipment, net	26,047
Security deposit	<u>5,335</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$3,448,691</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable and accrued expenses	\$ 216,102
Current portion of investor notes payable	<u>8,581</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>224,683</u></b>
<b>LONG-TERM DEBT:</b>	
Investor notes payable - less current portion	487,988
Note payable - loan fund	<u>125,000</u>
<b>TOTAL LONG-TERM DEBT</b>	<b><u>612,988</u></b>
<b>NET ASSETS:</b>	
Unrestricted	2,298,023
Temporarily restricted	<u>312,997</u>
<b>TOTAL NET ASSETS</b>	<b><u>2,611,020</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$3,448,691</u></u></b>

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See notes to financial statements

**COUNT ME IN FOR WOMEN'S ECONOMIC INDEPENDENCE, INC.**

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2008

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>REVENUES AND OTHER SUPPORT:</b>			
Contributions	\$ 408,176	\$ -	\$ 408,176
Grants	3,928,826	50,000	3,978,826
Fee revenue	5,632	-	5,632
Interest income	110,942	-	110,942
Capital gain income	547	-	547
Unrealized loss on investments	<u>(5,206)</u>	<u>-</u>	<u>(5,206)</u>
	4,448,917	50,000	4,498,917
Net assets released from restrictions	<u>406,433</u>	<u>(406,433)</u>	<u>-</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b><u>4,855,350</u></b>	<b><u>(356,433)</u></b>	<b><u>4,498,917</u></b>
<b>EXPENSES:</b>			
<i><b>Program services:</b></i>			
Loan program	363,692	-	363,692
Public education	<u>2,903,529</u>	<u>-</u>	<u>2,903,529</u>
<b>Total program services</b>	<b><u>3,267,221</u></b>	<b><u>-</u></b>	<b><u>3,267,221</u></b>
<i><b>Supporting services:</b></i>			
General and administrative	217,415	-	217,415
Fund raising	<u>336,810</u>	<u>-</u>	<u>336,810</u>
<b>Total supporting services</b>	<b><u>554,225</u></b>	<b><u>-</u></b>	<b><u>554,225</u></b>
<b>TOTAL EXPENSES</b>	<b><u>3,821,446</u></b>	<b><u>-</u></b>	<b><u>3,821,446</u></b>
<b>CHANGES IN NET ASSETS</b>	<b>1,033,904</b>	<b>(356,433)</b>	<b>677,471</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b><u>1,264,119</u></b>	<b><u>669,430</u></b>	<b><u>1,933,549</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$2,298,023</u></b>	<b><u>\$312,997</u></b>	<b><u>\$2,611,020</u></b>

See notes to financial statements

**COUNT ME IN FOR WOMEN'S ECONOMIC INDEPENDENCE, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

	-----PROGRAM SERVICES-----			-----SUPPORTING SERVICES-----			
	PUBLIC EDUCATION	LOAN PROGRAM	TOTAL	GENERAL AND ADMINISTRATIVE	FUND RAISING	TOTAL	TOTAL EXPENSES
Salaries	\$ 429,092	\$118,905	\$ 547,997	\$118,162	\$116,121	\$234,283	\$ 782,280
Payroll taxes and benefits	72,626	19,807	92,433	19,807	19,807	39,614	132,047
Consultant fees/technical support	53,670	3,578	57,248	7,872	6,440	14,312	71,560
Temporary labor	66,539	5,215	71,754	9,172	8,992	18,164	89,918
Web site development and service	619,227	-	619,227	-	-		619,227
Media relations and marketing	333,601	4,039	337,640	-	66,236	66,236	403,876
Loan loss reserve	-	104,817	104,817	-	-		104,817
Loan processing and software	-	4,752	4,752	-	-		4,752
Administrative fees	21,787	5,964	27,751	6,042	5,964	12,006	39,757
Coaching and mentoring	77,036	4,055	81,091	-	-		81,091
Rent and utilities	31,038	8,602	39,640	8,546	8,389	16,935	56,575
Equipment rental	8,467	1,210	9,677	1,814	605	2,419	12,096
Office supplies and expense	57,751	10,217	67,968	12,590	8,289	20,879	88,847
Telephone	19,372	2,767	22,139	4,151	1,384	5,535	27,674
Printing and reproduction	2,921	365	3,286	183	183	366	3,652
Insurance	3,785	1,049	4,834	1,042	1,023	2,065	6,899
Professional fees	31,048	6,210	37,258	18,629	68,304	86,933	124,191
Travel	196,146	-	196,146	-	10,324	10,324	206,470
Fees and licenses	-	-	-	4,072	-	4,072	4,072
Event expenses	837,833	8,463	846,296	-	-		846,296
Conferences	2,750	2,250	5,000	-	-		5,000
Interest expense	-	41,550	41,550	-	-		41,550
Computer maintenance	16,602	1,865	18,467	-	-		18,467
Donation expense	1,244	623	1,867	-	10,583	10,583	12,450
Staff development	10,619	2,943	13,562	2,924	2,869	5,793	19,355
Depreciation	10,375	4,446	14,821	2,409	1,297	3,706	18,527
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$2,903,529</b>	<b>\$363,692</b>	<b>\$3,267,221</b>	<b>\$217,415</b>	<b>\$336,810</b>	<b>\$554,225</b>	<b>\$3,821,446</b>

See notes to financial statements  
**COUNT ME IN FOR WOMEN'S ECONOMIC INDEPENDENCE, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2008

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**OPERATING ACTIVITIES:**

Change in net assets	\$ 677,471
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	18,527
Provision for doubtful loans	29,728
Changes in:	
Increase in contributions receivable	(470,294)
Decrease in security deposits	1,210
Increase in accounts payable and accrued expenses	<u>61,304</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** **317,946**

**INVESTING ACTIVITIES:**

Disbursements for loans receivable	(113,500)
Principal payments received on loans receivable	295,150
Acquisition of property and equipment	<u>(9,990)</u>

**NET CASH PROVIDED BY INVESTMENT ACTIVITIES** **171,660**

**FINANCING ACTIVITIES:**

Disbursements for investor notes payable	(600,000)
Proceeds of investor notes payable	358,779
Principal payments of note payable - operating fund	<u>(15,000)</u>

**NET CASH USED IN FINANCING ACTIVITIES** **(256,221)**

**NET INCREASE IN CASH AND CASH EQUIVALENTS** **233,385**

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** **985,871**

**CASH AND CASH EQUIVALENTS - END OF YEAR** **\$1,219,256**

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See notes to financial statements

# COUNT ME IN FOR WOMEN'S ECONOMIC INDEPENDENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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### 1 ORGANIZATION

Count Me In For Women's Economic Independence, Inc. ("Count Me In" or "CMI"), an independent not-for-profit organization, is the leading national provider of on-line micro business loans and resources for women entrepreneurs to grow their business into \$Million enterprises. CMI makes loans of \$500 to \$10,000 to first time borrowers and under its "Make Mine a \$Million Business" program begun in 2005 makes loans up to \$45,000. Loan recipients from across the country are evaluated and approved using a customized and innovative credit-scoring system. Designed by CMI, the system more fairly evaluates a woman's business potential and life circumstances, taking into account factors such as divorce, raising children or caring for loved ones. CMI also provides basic business education on-line and directs women to local training and technical assistance opportunities.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Basis of presentation***

The accompanying financial statements are prepared in accordance with auditing standards generally accepted in the United States of America using the Not-For-Profit Organization's Audit Guide issued by the American Institute of Certified Public Accountants.

Net assets, revenues and expenses are classified based on the existence or absence of donor-or grantor-imposed restrictions. Accordingly, the net assets of Count Me In and the changes therein are classified and reported as follows:

*Unrestricted* - Net assets that are not subject to donor-or grantor-imposed restrictions.

*Temporarily Restricted* - Net assets that are subject to donor-imposed stipulations that will be met either by the actions of the Organization and/or passage of time. As such restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

#### ***Cash equivalents***

Cash equivalents consist of short-term highly liquid investments which are readily convertible into cash within ninety days of purchase.

#### ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### ***Allowance for doubtful loans***

A provision for doubtful loans has been established in the amount of 25%. The allowance for doubtful loans was apportioned between current and non-current reserves in the same portion, as the actual loans receivable are reported. During the year ended September 30, 2008 there were \$83,923 of direct write-offs. The Organization maintains a separate cash account equal to the allowance for doubtful accounts.

### ***Property and equipment***

Property and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

### ***Income taxes***

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision has been made for Federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended September 30, 2008.

### ***Functional allocation of expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The allocations of expenses are based on management's judgment.

### ***Unrealized gain on investments***

The unrealized gain on investments reflects the change in the market value of the Organization's Calvert Short Duration bond fund.

### ***Donated facilities, goods and services***

Those donated goods and services that meet the requirements for recognition under generally accepted accounting principles are recorded as both revenue and expense in the accompanying statement of activities and statement of financial position, at amounts determined by management to be reasonable for obtaining such goods and services.

### ***Support and revenue***

Contributions are recorded as revenue upon receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met. All contributions are recognized at their fair values at the dates received.

## 3 LOANS RECEIVABLE - PROGRAM

This amount represents the principal outstanding on loans to women made by the Organization at September 30, 2008.

#### 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$114,072
Computer software	35,904
	<u>149,976</u>
Accumulated depreciation	<u>123,929</u>
	<u><u>\$ 26,047</u></u>

Equipment and software are recorded at cost and depreciated on the straight-line basis of accounting over their estimated useful lives.

#### 5 NOTES PAYABLE

Notes payable consist of the following:

**Loan Fund:**

Note payable to a foundation bearing interest at 4.5% paid semi-annually with a maturity date of September 30, 2009.	<u><u>\$ 75,000</u></u>
Note payable to a foundation bearing interest at 4.5% paid semi-annually with a maturity date of December 29, 2009.	<u><u>\$ 50,000</u></u>

#### 6 INVESTOR NOTES PAYABLE

The Organization has a program in which individuals and institutions can invest in the Organization by purchasing Invest In Women Notes. These investments are used to make loans to women entrepreneurs. As of September 30, 2008 there were twenty notes outstanding bearing interest from 0% to 5.5% per annum. The notes are due at various dates, but the investor can terminate the note by giving the Organization ninety days notice. Interest earned is paid annually.

#### 7 TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2008, temporarily restricted net assets consist of the following:

GRANTOR	RESTRICTION	AMOUNT
MetLife Foundation	Allowable use	\$217,997
American Express	Allowable use	<u>95,000</u>
		<u><u>\$312,997</u></u>

During the year, net assets of \$6,433 were released.

#### 8 COMMITMENTS

The Organization is obligated under operating leases which provide for annual rentals of \$52,800 and expire on May 31, 2009. Rental expense for the year ended September 30, 2008 aggregated approximately \$51,000.