

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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The Board of Directors
Women's Housing and Economic
Development Corporation

Independent Auditor's Report

I have audited the accompanying statement of financial position of Women's Housing and Economic Development Corporation (a nonprofit organization) as of December 31, 2008 and 2007 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and OMB Circular A-133 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Housing and Economic Development Corporation as of December 31, 2008 and 2007 and the 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.

In accordance with *Government Auditing Standards*, I have also issued a report dated, on my consideration of Women's Housing and Economic Development Corporation's internal control structure and a report dated, on its compliance with laws and regulations.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States,

The Board of Directors
Women's Housing and Economic
Development Corporation

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Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "A. J. Carone". The signature is fluid and cursive, with a large initial "A" and "J" and a long, sweeping tail.

New York, New York
June 24, 2009

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

A S S E T S

	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and cash equivalents	\$ 98,776	\$ 349,447
Accounts receivable (Note 4 and 8)	1,615,005	1,459,061
Prepaid expenses and other current assets	<u>72,033</u>	<u>71,528</u>
Total Current Assets	1,785,814	1,880,036
Fixed Assets, net of accumulated depreciation of \$648,589 in 2008 and \$605,160 in 2007 (Note 1)	197,345	164,407
Other Assets		
Security deposit	1,025	1,025
Investment in Urban Horizons I (Note 3)	1,094,872	1,101,076
Developer's fee receivable - Urban Horizons II (Note 5)	4,164,853	2,198,912
Developer's fee receivable - Foyer project (Note 6)	151,350	106,500
Due from affiliates	<u>79,020</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,474,279</u>	<u>\$ 5,451,956</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
Current Liabilities		
Accounts payable and accrued expenses	\$ 411,040	\$ 461,150
Contract advance (Note 7)	10,370	111,610
Tenants' security deposit	23,485	23,485
Due to affiliate (Note 3)	-	217,859
Deferred revenue	-	25,000
Loans payable - current portion (Note 8)	<u>686,363</u>	<u>759,313</u>
Total Current Liabilities	1,131,258	1,598,417
Long-term debt		
Loans Payable, net of current portion (Note 8)	<u>300,000</u>	<u>300,000</u>
Total Liabilities	1,431,258	1,898,417
Net Assets (Note 1)		
Unrestricted	4,710,139	2,293,157
Temporarily restricted	200,000	127,500
Permanently restricted	<u>1,132,882</u>	<u>1,132,882</u>
Total Net Assets	<u>6,043,021</u>	<u>3,553,539</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,474,279</u>	<u>\$ 5,451,956</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
UNRESTRICTED NET ASSETS		
Unrestricted Revenues		
Foundations	\$ 1,059,250	\$ 1,232,946
Individuals/Special events	195,947	270,632
Contracts and grants (Note 4)	5,460,114	4,242,166
Developer's fees (Note 5 and 6)	2,010,791	1,192,912
Rental and other income	529,429	415,288
Donated services	48,960	-
Interest income	54	-
	9,304,545	7,353,944
Net assets released from restrictions		
Restrictions satisfied by payments	97,500	-
Total Unrestricted Revenue	9,402,045	7,353,944
Expenses		
Program and Services		
Kitchen	192,877	190,008
Head Start	1,318,633	1,295,160
Work Force Development	-	217,902
Housing Relocation	-	384,724
Family Support	671,951	488,623
Youth Services	1,431,237	1,146,300
Family Day Care	2,075,421	1,250,344
Housing development	312,871	273,427
Management and general	796,813	701,581
Fundraising	179,056	356,712
	6,978,859	6,304,781
Total Expenses	6,978,859	6,304,781
Increase in unrestricted		
Net Assets before adjustments	2,423,186	1,049,163

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
TEMPORARILY RESTRICTED NET ASSETS		
Grant income for next year	170,000	127,500
Expenditure of prior year grant funds and contract income	<u>(97,500)</u>	<u>-</u>
Increase in temporarily restricted assets	<u>72,500</u>	<u>127,500</u>
PERMANENTLY RESTRICTED ASSETS		
Loss from Urban Horizons I	<u>(6,204)</u>	<u>(4,554)</u>
Decrease in Permanently Restricted Assets	<u>(6,204)</u>	<u>(4,554)</u>
Increase in Net Assets	2,489,482	1,172,109
Net Assets - Beginning of Year	<u>3,553,539</u>	<u>2,381,430</u>
Net Assets - End of Year	<u>\$ 6,043,021</u>	<u>\$ 3,553,539</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Increase in net assets	\$2,489,482	\$1,172,109
Adjustments to reconcile excess of revenue over expenditures to net cash used in operating activities:		
Depreciation	43,429	35,223
Changes in assets and liabilities:		
Increase in accounts receivable	(155,944)	(238,428)
(Increase) Decrease in prepaid expenses and other current assets	(505)	46,563
(Decrease) Increase in accounts payable and accrued expenses	(50,110)	39,138
Increase in security deposit payable	-	14,700
(Decrease) Increase in contract advances	(101,240)	13,589
Increase in developer's fees receivable	(2,010,791)	(1,192,912)
Increase in due from affiliate	(79,020)	-
Decrease in deferred revenue	(25,000)	-
Decrease in investment in Urban Horizons I	6,204	4,554
Decrease in due to affiliate	<u>(217,859)</u>	<u>(10,614)</u>
Total adjustments	<u>(2,590,836)</u>	<u>(1,288,187)</u>
Net cash used in operating activities	<u>(101,354)</u>	<u>(116,078)</u>
Cash flows from investing activities:		
Acquisition of fixed assets	<u>(76,367)</u>	<u>(114,752)</u>
Net cash used in investing activities	<u>(76,367)</u>	<u>(114,752)</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from financing activities:		
(Decrease) Increase in notes payable	<u>(72,950)</u>	<u>299,700</u>
Net cash (used in) provided by financing activities	<u>(72,950)</u>	<u>299,700</u>
Net (decrease)increase in cash	(250,671)	68,870
Cash at beginning of year	<u>349,447</u>	<u>280,577</u>
CASH AT END OF YEAR	<u>\$ 98,776</u>	<u>\$ 349,447</u>
Supplemental information		
Interest paid during the year	<u>\$ 41,559</u>	<u>\$ 57,623</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Basis of Operation

Women's Housing and Economic Development Corporation (WHEDCO) is a not-for-profit corporation formed for the purpose of promoting social welfare through activities which provide relief for the poor, distressed and underprivileged, and combat community deterioration. WHEDCO develops housing and economic development programs for low-income persons, with a special emphasis on low-income women and their families. The Corporation is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Financial Statements Presentation

As of December 31, 1996, the Corporation elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of the Not-for-Profit Organizations. Under SFAS No. 117, the Corporation 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.

Temporarily restricted net assets consist of contract revenue or donations received in the current year for use during the next year.

Fixed Assets

Fixed assets are recorded at cost net of accumulated depreciation. Depreciation is being provided based on the estimated useful life, using the straight line and accelerated methods.

Use of Estimates in the Preparation of the Financial Statements

Preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates.

NOTE 2 - GRANT AND OTHER INCOME

The Corporation received grant and donation income from foundations, individuals, and business organizations totaling \$1,425,197 in 2008 and \$1,631,078 in 2007 to help provide the funding for the organization.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 3 - INVESTMENT IN URBAN HORIZONS I

The Corporation, and its affiliate WHEDCO Development Corp., have acted as the developer of Urban Horizons I (Urban Horizons), a unique community economic development center in the South Bronx. The Urban Horizons project has transformed the former Morrisania Hospital, abandoned in 1976, into a multi-service complex which includes 132 apartments for low-income families, with 48 set aside for previously homeless families; employment training and job creation programs; a day care center; comprehensive counseling and referral services; and a playground and courtyard connecting Urban Horizons with a new bilingual elementary school serving grades K-8, which shares the site. There is also a primary health care facility operated by the Institute for Urban Family Health.

The project began construction in December 1995 and was completed in April 1997. The Corporation through its affiliate WHEDCO Development Corp. has made an investment of \$1,237,273 as the general partner of the Urban Horizons Tax Credit Partnership L.P.. The source of the investment came from fees that WHEDCO received for developing the project, and from funds received from the Department of Health and Human Services (DHHS) and New York State Urban Development Corp.. The project is also being financed with equity investments by the National and New York Equity Funds and loans from the New York State Housing Trust Fund and New York State Homeless Housing Assistance Corporation.

The Corporation has classified the investment in Urban Horizons as a permanently restricted asset. The investment is being reported on the accompanying financial statement using the equity method whereby the investment is increased or decreased by WHEDCO's share of the results of operations.

The Corporation operates its social programs at Urban Horizons' facility. Urban Horizons charges WHEDCO for occupancy costs incurred. As of December 31, 2008, the balance due from Urban Horizons was \$22,215. The outstanding balances due to Urban Horizons as of December 31, 2007 was \$217,859.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 4 - GOVERNMENT GRANTS

The Corporation entered into a contract with the New York City Administration for Children's Services (ACS) to operate a Head Start program for two years starting February 1, 1999 which was renewed through January 31, 2009. The program provides children with educational, health, and social services and promotes parental involvement in the children's development. During 2008 and 2007, \$1,068,222 and \$974,376 were received under that contract. At December 31, 2008 and 2007 there were receivable of \$33,298 and \$0 from ACS. Advances relating to the contract totaling of \$0 and \$96,771 are included in liabilities at December 31, 2008 and 2007 respectively. The contract has been renewed for another year.

The Corporation entered into a contract with the New York State Office of Temporary and Disability Assistance to provide care management and housing stabilization for homeless families. The initial contract period was March 2002 through February 2003 and was renewed through February 2009. The current contract provides for up to \$197,700 per year of funding based on expenditures. During 2008 and 2007 revenues of \$143,700 and \$181,550 were earned respectively. At December 31, 2008 and 2007 there were receivable of \$52,950 and \$31,110 from the state.

WHEDCO entered into an agreement with the Church Avenue Merchants' Block Association (CAMBA) to act as a subcontractor under CAMBA's contract with the New York City Department of Homeless Services. The original contract started on July 1, 2003 and currently runs until December 2008. WHEDCO is paid based on expenses incurred as well as performance criteria. During 2008 and 2007 WHEDCO earned \$329,220 and \$311,318, respectively. As of December 31, 2008 and 2007, WHEDCO had receivable of \$167,615 and \$150,078 from CAMBA.

WHEDCO has a contract with the New York State Department of Health to provide meals to children participating in day care in the South Bronx. During 2008 and 2007, WHEDCO earned \$988,733 and \$868,857 under the contract. As of December 31, 2008 and 2007, \$158,799 and \$209,202 from the state were included in accounts receivable, respectively.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 4 - GOVERNMENT GRANTS (CONTINUED)

WHEDCO has entered into various contracts with the New York City Department of Youth and Community Development to provide various services to local youth. The contracts have varying terms. During 2008 and 2007, WHEDCO earned \$1,544,520 and \$1,534,726 under these contracts, of which \$286,086 and \$388,653 were receivable as of December 31, 2008 and 2007 respectively.

WHEDCO entered into a contract with the Office of Child and Family Service (OCFS) for the contract period starting April 1, 2008 to March 3, 2013 to enroll unlicensed daycare providers into the Child Care Facility System (CCFS). During 2008, revenue of \$1,042,500 was earned. As of December 31, 2008, WHEDCO had receivable of \$237,447 from OCFS.

WHEDCO is currently negotiating with New York City regarding a capital grant that had been authorized during 2005. A total of \$208,063 were included in accounts receivable as of December 31, 2008 and 2007 and no reserve has been recorded as management believes this will be received in full.

The Corporation also received \$343,219 in 2008 and \$371,339 in 2007 respectively under various other contracts and grants.

NOTE 5 - PREDEVELOPMENT COSTS AND LOANS - URBAN HORIZONS II

The Corporation, and its affiliate Urban Horizons II GP, Inc., have acted as the developer of Intervale Green (Urban Horizons II), a unique affordable housing development for low income families in the South Bronx. The project named Urban Horizons II is a limited partnership and is expected to qualify for low-income housing tax credits. Urban Horizons II consists of 128 residential units for low-income families with 30% of the units set aside for families coming out of the homeless shelter system. The total cost of the project is \$38,114,306 and financing is provided by tax-exempt bonds issued from the New York City Housing Development Corporation (HPD) and from private investments from Richman Housing Resources, the tax credit syndicator. Citibank Community Development is also issuing a letter of credit in connection with the development of the project. A pilot program through the New York State Energy Research and Development Authority (NYSERDA) is providing technical assistance and capital costs so that the building can achieve one of the first ever Energy Star ratings for multi-family buildings. Construction began in December 2005 and was completed in February 2009.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 5 - PREDEVELOPMENT COSTS AND LOANS - URBAN HORIZONS II (CONTINUED)

WHEDCO is expected to earn \$4,914,853 in developer's fees in connection with this project. The accompanying 2008 and 2007 financial statements include developer's fee income earned of \$1,965,941 and \$1,086,412 respectively. The remaining fees are to be earned during the construction of the project in accordance with the developer's fee agreement.

Payment of the fees are in accordance with the development fee agreement. As of December 31, 2008, WHEDCO has received \$725,000 of which \$398,228 was used to repay certain loans and professional expenses incurred by WHEDCO to support the project development. Additional fees of \$617,316 and \$1,800,000 are estimated to be received in the end of 2009. The balance of fees totaling \$1,747,537 is estimated to be paid over a period of twelve years from the cash flow of the project. As of December 31, 2008 and 2007, the balances of Developer's fee receivable were \$4,164,853 and \$2,198,912 respectively.

NOTE 6 - PREDEVELOPMENT COSTS AND LOANS - FOYER PROJECT

The Corporation, and its affiliate Louis Nine GP, Inc., have acted as the developer of Louis Nine House, a unique affordable housing development for low income families in the South Bronx. The Foyer building will be built by the same general contractor as Urban Horizons II, and will provide 46 units of supportive housing for young adults out of foster care. The total cost of the project will be 7.6 million dollars and will come from HPD's Supportive Housing Loan Program and Richman Housing Resources. The project will also provide low income housing tax credits for the limited partner.

The project began construction in May 2006 and was completed in February 2009. WHEDCO is expected to earn \$224,250 of developer's fees in connection with this project. WHEDCO earned the developer's fee in the amounts of \$44,850 and \$106,500 in 2008 and 2007. An affiliate of WHEDCO will be the general partner. As of December 31, 2008 and 2007, the balances of developer's fee receivable for Foyer Project were \$151,350 and \$106,500 respectively.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 7 - CONTRACT ADVANCE

During 2008 WHEDCO received advances of \$101,049 from the New York City Department of Youth and Community Development under two contracts expiring in 2008. As of December 31, 2008 and 2007, \$2,959 and \$7,202 were outstanding.

There is also a contract advance outstanding as of December 31, 2008 and 2007 in the amount of \$0 and \$96,771 respectively relating to the Head Start program (Note 4).

The outstanding balance of \$7,411 in 2008 and \$7,637 in 2007 respectively that were received various other contracts and grants were included in Contract advance.

NOTE 8 - LOANS PAYABLE

WHEDCO has a term loan with the Non Profit Finance Fund (NFF). The initial amount of the loan was \$170,000 and is payable in 36 equal monthly installments of \$4,988.90 including interest at 3.6%. The balance outstanding as of December 31, 2008 and 2007 was \$0 and \$39,313 respectively.

A term loan was obtained from NFF in August 2005. The maximum available under the line is \$500,000. As of December 31, 2008, \$170,000 was outstanding. Interest is payable monthly at 6% per annum.

WHEDCO also has a line of credit with NFF in the amount of \$300,000. As of December 31, 2008, the outstanding loan balance was \$200,000. Interest is payable monthly at the average prime rate plus 1% per annum.

During 2001, WHEDCO received a recoverable grant from the LISC. The grant is non-interest bearing and matures on January 1, 2003. The grant of \$25,000 was to be used in connection with the start-up costs of the food store, which closed in October 2001. WHEDCO started repaying the loan since May 2006 for \$1,000 per month. As of December 31, 2008 and 2007, the outstanding loan balance were \$1,000 and \$5,000.

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 8 - LOANS PAYABLE (Continued)

During 2008 and 2007 the Fund For The City of New York (a Not For Profit Corporation) made loans to WHEDCO in the amounts of \$140,363 and \$245,000 respectively due to a delay in funding from certain contracts with New York City. This loan requires a service charge of two percent. The loan and service charge were fully paid in February 2008 (2007 loan).

In April 2007 WHEDCO borrowed \$250,000 from the Contact Fund, LLC. The Loan bears interest at the prime rate which is paid on a quarterly basis. In 2008, WHEDCO opened another revolving line of credit for \$250,000 with the Contact Fund, LLC. As of December 31, 2008, WHEDCO borrowed \$150,000 from this credit line. The loan bears interest at the prime rate which is paid on a quarterly basis.

During 2008 and 2007 WHEDCO received \$75,000 and \$150,000 under a total grant of \$225,000 from Deutsche Bank Americas Foundation. Under the grant agreement \$75,000 are recoverable grants to be repaid in December 2009 (\$25,000), December 2010 (\$25,000) and December 2011 (\$25,000).

Loans payable consists of:

	<u>2008</u>	<u>2007</u>
NFF- Term loan	\$ 170,000	\$ 209,313
NFF- Line of credit	200,000	300,000
FUND FOR THE CITY OF NEW YORK	140,363	245,000
Recoverable grants (Deutsche bank)	75,000	50,000
Contact Fund	400,000	250,000
LISC	<u>1,000</u>	<u>5,000</u>
	986,363	1,059,313
Current portion	<u>686,363</u>	<u>759,313</u>
Non-Current	<u>\$ 300,000</u>	<u>\$ 300,000</u>

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Corporation also entered into a thirty year lease for office space with Urban Horizons beginning December 21, 1995. A portion of this space is sublet under two leases, which both expire in May 2012. The Corporation also leases office equipment under various leases that expire in various years. The total minimum rental payments required under these leases are as follows:

<u>Year ended</u> <u>December 31,</u>	<u>Rent</u>	<u>Sub rental income</u>
2009	\$ 160,197	\$ 323,060
2010	127,937	337,721
2011	122,973	353,054
2012	125,490	149,818
2013	130,509	
Thereafter	2,039,448	

SUPPLEMENTAL INFORMATION

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To the Board of Directors
Women's Housing and Economic
Development Corporation

Independent Auditor's Report

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole of Women's Housing and Economic Development Corporation for the years ended December 31, 2008 and 2007, which are presented in the preceding section of this report. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the examination of the basic financial statements, and, in my opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



New York, New York
June 24, 2009

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2008

	Program Services							Support Services	
	Total	Kitchen	Head Start	Family Support	Youth Services	Family Day Care	Housing Development	Management General	Fundraising
Salaries	\$4,298,374	\$91,130	\$900,512	\$483,216	\$1,163,037	\$974,208	\$219,308	\$363,921	\$103,042
Fringes	695,842	17,522	90,250	111,747	158,357	179,494	29,934	78,517	30,021
Professional services - General	137,567	0	28,029	4,737	2,631	2,844	38,058	40,633	20,635
Professional services - Accounting	20,300	0	8,860	2,288	2,717	2,574	572	2,574	715
Professional services - Legal	55,710	0	0	0	0	0	6,750	48,960	0
Insurance	54,200	2,607	0	20,853	2,691	13,033	2,607	9,802	2,607
Supplies	99,484	4,301	11,835	6,181	13,038	36,269	3,838	15,802	8,220
Program Direct Costs	928,495	52	88,291	968	55,451	767,345	2,815	13,460	113
Occupancy	357,206	50,711	159,407	19,895	11,376	55,957	1,470	50,342	8,048
Telephone	45,853	572	4,701	10,125	6,574	6,281	752	14,187	2,661
Travel	13,094	0	1,535	2,681	3,334	3,836	80	1,520	108
Professional Development	43,635	200	9,192	1,493	4,325	1,833	2,531	23,645	416
Information Technology	17,655	18	618	715	1,133	698	184	13,518	771
Equipment Rental and Repair	113,183	25,764	15,083	6,654	6,328	30,473	2,102	26,391	388
Marketing	7,073	0	238	345	245	426	1,851	2,672	1,296
Other Expenses	4,490	0	82	53	0	150	19	4,171	15
Interest Expense	43,269	0	0	0	0	0	0	43,269	0
Depreciation Expense	43,429	0	0	0	0	0	0	43,429	0
Bad Debts	0	0	0	0	0	0	0	0	0
	<u>\$6,978,859</u>	<u>\$192,877</u>	<u>\$1,318,633</u>	<u>\$671,951</u>	<u>\$1,431,237</u>	<u>\$2,075,421</u>	<u>\$312,871</u>	<u>\$796,813</u>	<u>\$179,056</u>

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

WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2007

	Program Services									Support Services	
	Total	Kitchen	Head Start	Workforce Development	Housing Relocation	Family Support	Youth Services	Family Day Care	Housing Development	Management General	Fundraising
Salaries	\$3,756,075	\$93,215	\$858,630	\$156,769	\$292,507	\$363,810	\$911,341	\$395,373	\$159,310	\$297,450	\$227,670
Fringes	576,966	17,472	76,573	27,438	56,308	73,825	123,439	85,739	15,527	61,593	39,052
Professional services - General	195,280	118	32,902	250	2,052	2,878	13,086	4,330	38,685	43,838	57,141
Professional services - Accounting	13,300	0	2,660	133	1,197	798	2,527	2,394	532	3,059	0
Professional services - Legal	52,012	0	0	0	0	0	0	0	52,012	0	0
Insurance	54,552	2,360	0	618	9,440	9,440	5,699	11,800	2,360	10,475	2,360
Supplies	88,370	5,078	13,525	1,931	3,127	3,819	19,525	19,327	1,940	12,022	8,076
Program Direct Costs	828,557	1,812	101,677	641	209	1,932	32,423	673,095	216	11,053	5,499
Occupancy	351,421	46,964	146,139	21,297	6,324	10,452	2,798	19,396	0	92,447	5,604
Telephone	46,541	540	3,700	3,710	3,954	8,257	3,956	4,224	549	15,191	2,460
Travel	30,320	0	5,907	386	4,560	1,261	4,697	3,236	0	9,980	293
Professional Development	68,177	315	41,093	0	30	115	4,123	28	29	19,869	2,575
Information Technology	19,589	31	776	992	408	4,634	1,461	1,694	112	5,831	3,650
Equipment Rental and Repair	118,268	22,103	11,478	3,737	4,608	5,727	19,726	29,658	2,155	17,569	1,507
Marketing	3,300	0	100	0	0	0	0	0	0	2,375	825
Other Expenses	3,533	0	0	0	0	0	1,499	50	0	1,984	0
Interest Expense	61,622	0	0	0	0	0	0	0	0	61,622	0
Depreciation Expense	35,223	0	0	0	0	0	0	0	0	35,223	0
Bad Debts	1,675	0	0	0	0	1,675	0	0	0	0	0
	<u>\$6,304,781</u>	<u>\$190,008</u>	<u>\$1,295,160</u>	<u>\$217,902</u>	<u>\$384,724</u>	<u>\$488,623</u>	<u>\$1,146,300</u>	<u>\$1,250,344</u>	<u>\$273,427</u>	<u>\$701,581</u>	<u>\$356,712</u>

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

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Women's Housing and Economic
Development Corporation

I have audited the financial statements of Women's Housing and Economic Development Corporation, a New York not-for-profit corporation, as of and for the year ended December 31, 2008, and have issued a report thereon dated June 24, 2009. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Women's Housing and Economic Development Corporation's internal control structure over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I considered to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

This report is intended for the information of the audit committee, management, and the Department of Health and Human Services. However, this report is a matter of public record, and its distribution is not limited.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Women's Housing and Economic Development Corporation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.



New York, New York
June 24, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Women's Housing and Economic
Development Corporation

I have audited the compliance of Women's Housing and Economic Development Corporation with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. Women's Housing and Economic Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Women's Housing and Economic Development Corporation's management. My responsibility is to express an opinion on Women's Housing and Economic Development Corporation's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Women's Housing and Economic Development Corporation's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Women's Housing and Economic Development Corporation's compliance with those requirements.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)**

In my opinion, Women's Housing and Economic Development Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

The management of Women's Housing and Economic Development Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Women's Housing and Economic Development Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one of more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operations that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



New York, New York
June 24, 2009

**WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Reportable conditions identified not considered to be a material weakness?

None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Reportable conditions identified not considered to be a material weakness?

None reported

Type of auditor's report issued on compliance for major programs:
Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? No

Major programs:

93.600, HEAD START

Dollar threshold used to distinguish between Type A and Type B programs: \$500,000

Auditee qualified as a low-risk auditee? Yes

Section II: Financial Statement Findings

There are no financial statement findings reported.

Section III: Federal Awards Findings

There are no federal award findings reported.

**WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Grantor</u>	<u>Federal CFDA#</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Health and Human Services: Pass-through Program from NYC Administration for Children's Services	93.600	-	<u>\$ 1,068,222</u>
Department of Agriculture: Pass-through Program from NYS Department of Health Child and Adult Care Food Program	10.558	4152	<u>\$ 79,999</u>
Department of Agriculture: Pass-through Program from NYS Department of Health Child and Adult Care Food Program	10.558	4912	<u>\$ 908,734</u>
Small Business Administration	59.050	-	<u>\$ 14,927</u>
Department of Health and Human Services Pass-through Program from NYS office of Temporary and Disability Assistance	93.558	-	<u>\$ 143,700</u>
Department of Health and Human Services Pass-through program from NYC Department of Homeless Services	93.558	-	<u>\$ 128,396</u>

**WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Grantor</u>	Entity Federal <u>CFDA#</u>	Pass-through Identifying <u>Number</u>	<u>Expenditures</u>
Department of Health and Human Services Pass-through Program from NYC Department of Youth and Community Development	93.569	-	<u>\$ 3,641</u>
Department of Health and Human Services Pass-through program from NYS Office of Children and Family Services	93.575	-	<u>\$1,042,500</u>

**WOMEN'S HOUSING AND ECONOMIC DEVELOPMENT CORPORATION
NOTES TO SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Women's Housing and Economic Development Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.