

**WOMEN'S INSTITUTE FOR HOUSING AND
ECONOMIC DEVELOPMENT, INC. AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2009 AND 2008

**Smith  Sullivan
& Company PC**

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200, Westborough, Massachusetts 01581
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YEARS ENDED DECEMBER 31, 2009 AND 2008

Mission Statement

The mission of Women's Institute for Housing and Economic Development is to promote economic opportunity and build strong communities by developing safe, affordable and supportive housing for individuals and families.

The Women's Institute strategically packages affordable housing with complementary services and programs to increase economic stability for low-income individuals and families, and to also provide ongoing support to residents for whom homelessness has been intertwined with chronic health issues, long-term poverty, a history of psychological and emotional trauma, and/or inadequate independent living skills.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Women's Institute for Housing
and Economic Development, Inc.
Boston, Massachusetts

We have audited the accompanying consolidated statement of financial position of Women's Institute for Housing and Economic Development, Inc. (a Massachusetts nonprofit organization) and Affiliates as of December 31, 2009 and 2008, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based upon 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Women's Institute for Housing and Economic Development, Inc. and Affiliates as of December 31, 2009 and 2008 and the changes in their net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating schedules on pages 33 - 36 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subject 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.

Smith, Sullivan & Company PC

Westborough, Massachusetts
June 21, 2010

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2009

	<u>OPERATING FUNDS</u>	<u>REAL ESTATE INVESTMENTS</u>	<u>CONSOLIDATED NET ASSETS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents (Notes 3 and 9)	\$ 93,790	\$ 14,007	\$ 107,797
Short-Term Investments (Note 3)	145,662	-	145,662
Accounts Receivable, Program Services (Notes 1 and 3)	420,170	-	420,170
Grants Receivable (Note 3)	32,500	-	32,500
Due From Affiliates (Notes 1 and 6)	-	12,738	12,738
Deferred Project Costs	-	122,413	122,413
Prepaid Expenses	<u>16,491</u>	<u>-</u>	<u>16,491</u>
Total Current Assets	<u>708,613</u>	<u>149,158</u>	<u>857,771</u>
<u>NET PROPERTY AND EQUIPMENT</u> (Note 3)	<u>9,572</u>	<u>-</u>	<u>9,572</u>
<u>OTHER ASSETS:</u>			
Long-Term Investments (Note 3)	100,000	-	100,000
Real Estate Investments (Note 1)	-	1,893,122	1,893,122
Notes and Loans Receivable (Notes 1, 3, 4 and 6)	25,000	3,942,104	3,967,104
Security Deposits (Note 8)	11,768	-	11,768
Organization Costs, Net (Note 3)	<u>-</u>	<u>9,631</u>	<u>9,631</u>
Total Other Assets	<u>136,768</u>	<u>5,844,857</u>	<u>5,981,625</u>
<u>TOTAL ASSETS</u>	<u>\$854,953</u>	<u>\$5,994,015</u>	<u>\$6,848,968</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES:</u>			
Working Capital Lines-of-Credit (Note 4)	\$370,000	\$ -	\$ 370,000
Pre-Development Loans (Note 4)	-	85,316	85,316
Accounts Payable and Accrued Expenses	45,734	129,223	174,957
Accrued Payroll and Related Expenses	31,796	-	31,796
Deferred Revenue (Note 1)	<u>31,344</u>	<u>-</u>	<u>31,344</u>
Total Current Liabilities	<u>478,874</u>	<u>214,539</u>	<u>693,413</u>
<u>LONG-TERM REAL ESTATE DEBT</u> (Notes 1 and 4)	<u>-</u>	<u>3,562,393</u>	<u>3,562,393</u>
<u>TOTAL LIABILITIES</u>	<u>478,874</u>	<u>3,776,932</u>	<u>4,255,806</u>
<u>NET ASSETS:</u> (Note 3)			
Unrestricted Net Assets:			
Undesignated	40,539	2,217,083	2,257,622
Board Designated	<u>144,434</u>	<u>-</u>	<u>144,434</u>
Total Unrestricted Net Assets	184,973	2,217,083	2,402,056
Temporarily Restricted Net Assets	91,106	-	91,106
Permanently Restricted Net Assets	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Net Assets	<u>376,079</u>	<u>2,217,083</u>	<u>2,593,162</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$854,953</u>	<u>\$5,994,015</u>	<u>\$6,848,968</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2008

	<u>OPERATING FUNDS</u>	<u>REAL ESTATE INVESTMENTS</u>	<u>CONSOLIDATED NET ASSETS</u>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and Cash Equivalents <i>(Notes 3 and 9)</i>	\$243,853	\$ 12,967	\$ 256,820
Accounts Receivable, Program Services <i>(Notes 1 and 3)</i>	468,825	-	468,825
Grants Receivable <i>(Note 3)</i>	31,250	-	31,250
Due From Affiliates <i>(Note 6)</i>	-	324,797	324,797
Short-Term Project Advances <i>(Note 1)</i>	-	3,095	3,095
Prepaid Expenses	<u>14,217</u>	<u>-</u>	<u>14,217</u>
Total Current Assets	<u>758,145</u>	<u>340,859</u>	<u>1,099,004</u>
<u>NET PROPERTY AND EQUIPMENT</u> <i>(Note 3)</i>	<u>5,180</u>	<u>-</u>	<u>5,180</u>
OTHER ASSETS:			
Long-Term Investments <i>(Note 3)</i>	101,546	-	101,546
Real Estate Investments <i>(Note 1)</i>	-	1,355,211	1,355,211
Notes and Loans Receivable <i>(Notes 1, 3, 4 and 6)</i>	25,000	3,673,782	3,698,782
Security Deposits	3,772	-	3,772
Organization Costs, Net <i>(Note 3)</i>	<u>-</u>	<u>12,841</u>	<u>12,841</u>
Total Other Assets	<u>130,318</u>	<u>5,041,834</u>	<u>5,172,152</u>
<u>TOTAL ASSETS</u>	<u>\$893,643</u>	<u>\$5,382,693</u>	<u>\$6,276,336</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES:			
Working Capital Lines-of-Credit <i>(Note 4)</i>	\$350,000	\$ -	\$ 350,000
Pre-Development Loans <i>(Note 4)</i>	-	309,200	309,200
Accounts Payable and Accrued Expenses	61,098	67,758	128,856
Accrued Payroll and Related Expenses	<u>27,712</u>	<u>-</u>	<u>27,712</u>
Total Current Liabilities	<u>438,810</u>	<u>376,958</u>	<u>815,768</u>
<u>LONG-TERM REAL ESTATE DEBT</u> <i>(Notes 1 and 4)</i>	<u>-</u>	<u>3,107,659</u>	<u>3,107,659</u>
<u>TOTAL LIABILITIES</u>	<u>438,810</u>	<u>3,484,617</u>	<u>3,923,427</u>
<u>NET ASSETS:</u> <i>(Note 3)</i>			
Unrestricted Net Assets:			
Undesignated	20,700	1,898,076	1,918,776
Board Designated	<u>144,434</u>	<u>-</u>	<u>144,434</u>
Total Unrestricted Net Assets	165,134	1,898,076	2,063,210
Temporarily Restricted Net Assets	189,699	-	189,699
Permanently Restricted Net Assets	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Net Assets	<u>454,833</u>	<u>1,898,076</u>	<u>2,352,909</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$893,643</u>	<u>\$5,382,693</u>	<u>\$6,276,336</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>GENERAL</u> <u>OPERATIONS</u>	<u>REAL ESTATE</u> <u>INVESTMENTS</u>	<u>TOTAL</u> <u>UNRESTRICTED</u> <u>ACTIVITIES</u>	<u>TEMPORARILY</u> <u>RESTRICTED</u>	<u>PERMANENTLY</u> <u>RESTRICTED</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>						
<i>Support and Contributions:</i>						
Foundation and Corporate Grants (Note 3)	\$ 54,500	\$ -	\$ 54,500	\$ 126,250	\$ -	\$ 180,750
Project Equity Grants (Notes 1 and 9)	-	-	-	267,768	-	267,768
Individual Contributions	<u>30,154</u>	<u>-</u>	<u>30,154</u>	<u>-</u>	<u>-</u>	<u>30,154</u>
Total Support and Contributions	<u>84,654</u>	<u>-</u>	<u>84,654</u>	<u>394,018</u>	<u>-</u>	<u>478,672</u>
<i>Program Services:</i>						
Project Management Fees and Reimbursed Costs (Notes 1, 3 and 6)	<u>888,170</u>	<u>-</u>	<u>888,170</u>	<u>-</u>	<u>-</u>	<u>888,170</u>
<i>Other Revenues:</i>						
Interest and Dividend Income (Notes 1, 3 and 6)	1,762	38,524	40,286	1,361	-	41,647
Investment Gains (Note 3)	-	-	-	(1,194)	-	(1,194)
Other Miscellaneous Revenues	<u>2,865</u>	<u>1,566</u>	<u>4,431</u>	<u>-</u>	<u>-</u>	<u>4,431</u>
Total Other Revenues	<u>4,627</u>	<u>40,090</u>	<u>44,717</u>	<u>167</u>	<u>-</u>	<u>44,884</u>
<i>Net Assets Released from Restrictions:</i>						
Satisfaction of Donor Requirements (Note 3)	<u>225,010</u>	<u>267,768</u>	<u>492,778</u>	<u>(492,778)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>1,202,461</u>	<u>307,858</u>	<u>1,510,319</u>	<u>(98,593)</u>	<u>-</u>	<u>1,411,726</u>
<u>FUNCTIONAL EXPENSES:</u>						
Program Services	930,890	19,208	950,098	-	-	950,098
Administrative	152,546	-	152,546	-	-	152,546
Fund Raising	<u>68,829</u>	<u>-</u>	<u>68,829</u>	<u>-</u>	<u>-</u>	<u>68,829</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>1,152,265</u>	<u>19,208</u>	<u>1,171,473</u>	<u>-</u>	<u>-</u>	<u>1,171,473</u>
<u>CHANGE IN NET ASSETS</u>	<u>50,196</u>	<u>288,650</u>	<u>338,846</u>	<u>(98,593)</u>	<u>-</u>	<u>240,253</u>
<u>TRANSFER OF NET ASSETS:</u>						
Operating Net Assets Used for Real Estate Activities	<u>(30,357)</u>	<u>30,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL CHANGE IN NET ASSETS</u>	<u>19,839</u>	<u>319,007</u>	<u>338,846</u>	<u>(98,593)</u>	<u>-</u>	<u>240,253</u>
<u>NET ASSETS - JANUARY 1, 2009</u>	<u>165,134</u>	<u>1,898,076</u>	<u>2,063,210</u>	<u>189,699</u>	<u>100,000</u>	<u>2,352,909</u>
<u>NET ASSETS - DECEMBER 31, 2009</u>	<u>\$ 184,973</u>	<u>\$2,217,083</u>	<u>\$2,402,056</u>	<u>\$ 91,106</u>	<u>\$100,000</u>	<u>\$2,593,162</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>GENERAL</u> <u>OPERATIONS</u>	<u>REAL ESTATE</u> <u>INVESTMENTS</u>	<u>TOTAL</u> <u>UNRESTRICTED</u> <u>ACTIVITIES</u>	<u>TEMPORARILY</u> <u>RESTRICTED</u>	<u>PERMANENTLY</u> <u>RESTRICTED</u>	<u>TOTAL</u> <u>ACTIVITIES</u>
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>						
<i>Support and Contributions:</i>						
Foundation and Corporate Grants (Note 3)	\$ 77,000	\$ -	\$ 77,000	\$ 139,000	\$ -	\$ 216,000
Project Equity Grants (Notes 1 and 9)	-	-	-	322,500	-	322,500
Individual Contributions	<u>33,781</u>	<u>-</u>	<u>33,781</u>	<u>-</u>	<u>-</u>	<u>33,781</u>
Total Support and Contributions	<u>110,781</u>	<u>-</u>	<u>110,781</u>	<u>461,500</u>	<u>-</u>	<u>572,281</u>
<i>Program Services:</i>						
Project Management Fees and Reimbursed Costs (Notes 1, 3 and 6)	<u>921,922</u>	<u>-</u>	<u>921,922</u>	<u>-</u>	<u>-</u>	<u>921,922</u>
<i>Other Revenues:</i>						
Interest and Dividend Income (Notes 3 and 6)	1,191	36,532	37,723	2,869	-	40,592
Investment Gains (Note 3)	-	-	-	467	-	467
Other Miscellaneous Revenues	<u>1,720</u>	<u>-</u>	<u>1,720</u>	<u>-</u>	<u>-</u>	<u>1,720</u>
Total Other Revenues	<u>2,911</u>	<u>36,532</u>	<u>39,443</u>	<u>3,336</u>	<u>-</u>	<u>42,779</u>
<i>Net Assets Released from Restrictions:</i>						
Satisfaction of Donor Requirements (Note 3)	<u>109,170</u>	<u>810,530</u>	<u>919,700</u>	<u>(919,700)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>1,144,784</u>	<u>847,062</u>	<u>1,991,846</u>	<u>(454,864)</u>	<u>-</u>	<u>1,536,982</u>
<u>FUNCTIONAL EXPENSES:</u>						
Program Services	943,852	70,614	1,014,466	-	-	1,014,466
Administrative	171,746	-	171,746	-	-	171,746
Fund Raising	<u>61,129</u>	<u>-</u>	<u>61,129</u>	<u>-</u>	<u>-</u>	<u>61,129</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>1,176,727</u>	<u>70,614</u>	<u>1,247,341</u>	<u>-</u>	<u>-</u>	<u>1,247,341</u>
<u>CHANGE IN NET ASSETS</u>	<u>(31,943)</u>	<u>776,448</u>	<u>744,505</u>	<u>(454,864)</u>	<u>-</u>	<u>289,641</u>
<u>TRANSFER OF NET ASSETS:</u>						
Real Estate Net Assets used for Operating Activities	<u>30,905</u>	<u>(30,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL CHANGE IN NET ASSETS</u>	<u>(1,038)</u>	<u>745,543</u>	<u>744,505</u>	<u>(454,864)</u>	<u>-</u>	<u>289,641</u>
<u>NET ASSETS - JANUARY 1, 2008</u>	<u>166,172</u>	<u>1,152,533</u>	<u>1,318,705</u>	<u>644,563</u>	<u>100,000</u>	<u>2,063,268</u>
<u>NET ASSETS - DECEMBER 31, 2008</u>	<u>\$ 165,134</u>	<u>\$1,898,076</u>	<u>\$2,063,210</u>	<u>\$ 189,699</u>	<u>\$100,000</u>	<u>\$2,352,909</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>WIHED</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>REAL ESTATE</u> <u>INVESTMENTS</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries	\$522,902	\$ -	\$522,902	\$ 47,707	\$43,981	\$ 614,590
Payroll Taxes and Fringe Benefits <i>(Note 10)</i>	130,019	-	130,019	11,859	10,942	152,820
Accounting and Auditing Services	-	-	-	34,144	-	34,144
Other Professional Fees/Consultants	120,569	-	120,569	25,944	-	146,513
Occupancy Costs <i>(Notes 7 and 8)</i>	70,049	-	70,049	8,084	7,454	85,587
Office Supplies and Expenses	8,526	-	8,526	778	718	10,022
Printing and Reproduction Costs	3,177	-	3,177	290	267	3,734
Postage and Courier	4,039	-	4,039	368	340	4,747
Telephone, Fax and Internet	10,073	-	10,073	919	848	11,840
Travel, Meetings and Conferences	24,820	-	24,820	2,264	2,089	29,173
General and Project Based Liability Insurance	7,572	-	7,572	2,194	637	10,403
Equipment Rental and Maintenance <i>(Note 8)</i>	10,391	-	10,391	948	874	12,213
Depreciation and Amortization <i>(Note 3)</i>	3,051	3,210	6,261	278	257	6,796
Line-of-Credit Fees and Interest <i>(Note 4)</i>	-	-	-	9,369	-	9,369
Project Costs <i>(Note 1)</i>	10,691	-	10,691	-	-	10,691
Subsidiary Management Costs	-	15,986	15,986	-	-	15,986
Miscellaneous Other Costs	<u>5,011</u>	<u>12</u>	<u>5,023</u>	<u>7,400</u>	<u>422</u>	<u>12,845</u>
Total Functional Expenses	<u>\$930,890</u>	<u>\$19,208</u>	<u>\$950,098</u>	<u>\$152,546</u>	<u>\$68,829</u>	<u>\$1,171,473</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>WIHED</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>REAL ESTATE</u> <u>INVESTMENTS</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>FUNCTIONAL</u> <u>EXPENSES</u>
Salaries	\$517,312	\$ -	\$ 517,312	\$ 91,024	\$39,198	\$ 647,534
Payroll Taxes and Fringe Benefits (Note 10)	127,005	-	127,005	22,347	9,623	158,975
Accounting and Auditing Services	-	-	-	15,803	-	15,803
Other Professional Fees/Consultants	103,278	-	103,278	5,308	1,813	110,399
Occupancy Costs (Notes 7 and 8)	62,031	-	62,031	14,599	6,287	82,917
Office Supplies and Expenses	7,423	-	7,423	1,306	562	9,291
Printing and Reproduction Costs	5,233	-	5,233	921	397	6,551
Postage and Courier	3,149	-	3,149	554	239	3,942
Telephone, Fax and Internet	9,666	-	9,666	1,475	635	11,776
Travel, Meetings and Conferences	24,269	-	24,269	2,524	232	27,025
General and Project Based Liability Insurance	7,138	-	7,138	2,798	544	10,480
Equipment Rental and Maintenance (Note 8)	9,123	-	9,123	1,920	827	11,870
Depreciation and Amortization (Note 3)	4,362	3,210	7,572	768	331	8,671
Line-of-Credit Fees and Interest (Note 4)	-	-	-	9,374	-	9,374
Project Costs (Note 1)	58,039	54,071	112,110	-	-	112,110
Subsidiary Management Costs	-	13,118	13,118	-	-	13,118
Miscellaneous Other Costs	<u>5,824</u>	<u>215</u>	<u>6,039</u>	<u>1,025</u>	<u>441</u>	<u>7,505</u>
Total Functional Expenses	<u>\$943,852</u>	<u>\$70,614</u>	<u>\$1,014,466</u>	<u>\$171,746</u>	<u>\$61,129</u>	<u>\$1,247,341</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 240,253	\$ 289,641
<i>Adjustments to Reconcile the Above to Net Cash</i>		
<i>Provided (Used) by Operating Activities:</i>		
Grants Restricted for Long-Term Real Estate Investment	(267,768)	(322,500)
Accrued Interest on Notes Receivable	(38,524)	(36,038)
Investment Income	(1,929)	(5,021)
Depreciation and Amortization Expense	6,796	8,671
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable, Program Services	48,655	(350,011)
Grants Receivable	(1,250)	(31,250)
Short-Term Project Advances	3,095	65,377
Deferred Project Costs	(122,413)	-
Prepaid Expenses	(2,274)	15,132
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable and Accrued Expenses	50,185	33,078
Deferred Revenue	31,344	-
Deposits Held/Escrow Funds	-	(54,036)
<i>(Increase) Decrease in Other Assets:</i>		
Cash (Outlay for) Return of Security Deposit, Net	(7,996)	-
Cash Outlay for Organization Costs	-	(5,969)
Net Adjustment	<u>(302,079)</u>	<u>(682,567)</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>(61,826)</u>	<u>(392,926)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of Investments	(545,002)	(301,796)
Proceeds from Investment Sales and Redemptions	402,697	300,000
(Increase) Decrease in Real Estate Investments	(537,911)	(1,124,810)
Net (Loans) to Affiliates and Repayments	82,261	(185,488)
Purchases of Office Equipment and Furniture	(7,977)	(4,232)
Investments Transferred to (from) Operating Account	-	10,612
Other Investment Activities	117	(5,594)
Net Cash Flows From Investing Activities	<u>(605,815)</u>	<u>(1,311,308)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from Notes Payable	560,050	784,200
Repayment on Notes Payable	(309,200)	-
Proceeds from Grants Restricted for Real Estate Investments	267,768	322,500
Net Cash Flows From Financing Activities	<u>518,618</u>	<u>1,106,700</u>
<u>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>(149,023)</u>	<u>(597,534)</u>
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>256,820</u>	<u>854,354</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 107,797</u>	<u>\$ 256,820</u>
 <i>Supplemental Disclosures:</i>		
Interest Paid	\$ 14,753	\$ 9,374
Income Taxes Paid	\$ -	\$ -

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 1 ORGANIZATION, AFFILIATIONS AND REAL ESTATE INVESTMENTS

The Women's Institute for Housing and Economic Development, Inc. ("Women's Institute" or the "Organization") was formed in 1981 to improve housing and economic opportunities for low-income individuals and families. The Women's Institute was organized under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. The Women's Institute has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

The mission of the Women's Institute is to promote economic opportunity and build strong communities by developing safe, affordable and supportive housing for individuals and families. The Organization's primary objectives are:

- **Developing safe, affordable and supportive housing** by offering development expertise to communities across Massachusetts and Connecticut, and working in partnership with local organizations to create and/or preserve quality housing;
- **Promoting economic opportunity** by creating housing that is more affordable and therefore decreasing the disproportionate amount of income that many individuals and families must set aside for housing; and
- **Building strong communities** by creating enduring partnerships that provide support to residents and neighborhoods.

Affiliations:

The Women's Institute is affiliated with the following Organizations, which have been established to serve as the primary development organizations for real estate development and ownership activities of the Women's Institute. Due to varying requirements of development partners and funders, real estate development activities are also occasionally performed under Women's Institute. (*Refer to Schedule A - Schedule of Affiliates and Subsidiaries*)

Women's Institute Realty, Inc.

The Women's Institute is affiliated with Women's Institute Realty, Inc. ("WIR - MA"), a commonly controlled organization which was organized in December 1994 in the Commonwealth of Massachusetts and was retroactively approved for tax-exempt status in 1995 in accordance with the above-noted provisions of the Internal Revenue Code. WIR - MA operates as a developer of real estate properties targeted for affordable and low-income housing in Massachusetts. For the years ending December 31, 2009 and December 31, 2008, WIR - MA served as the sole member of two single-purpose entities, Ingraham School LLC and Lechmere Crossing LLC, both described below.

Women's Institute Realty of Connecticut, Inc.

The Women's Institute is affiliated with Women's Institute Realty of Connecticut, Inc. ("WIR - CT"), a commonly controlled organization which was organized in May 2007 as a non-stock corporation in the State of Connecticut. WIR - CT was retroactively approved for tax-exempt status in 2008 in accordance with the above-noted provisions of the Internal Revenue Code. WIR - CT operates as a developer of real estate properties targeted for affordable and low-income housing in Connecticut.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 *(Continued)*

For the years ending December 31, 2009 and December 31, 2008, WIR – CT served as the sole member of two single-purpose entities, Park City Housing Corporation and Park City Supportive Housing LLC, both described below.

Real Estate Investments:

The Women's Institute operates as a regional affordable housing developer, serving as both a direct developer of properties as well as a development consultant to communities and nonprofit organizations. As of December 31, 2009, the Women's Institute or its affiliates had an ownership and/or long-term partnership interest in the following projects and subsidiaries:

Acushnet Commons, New Bedford, MA (an investment of Women's Institute)

Acushnet Commons Limited Partnership ("ACLP"), a limited partnership, and Acushnet Housing, Inc. ("AHI"), a for-profit corporation, were established in January 2004 to facilitate the acquisition, renovation, and operation of a property known as Acushnet Commons in New Bedford, Massachusetts. Opened in 2005, the development provides 12 units of low-income residential housing, commercial space for a nonprofit tenant, and community space.

The Women's Institute owns 79% of the common stock of AHI, with South Shore Housing Development Corporation, an unrelated charitable organization, holding the remaining 21%. There are no assets held by AHI and its value is nominal. The Women's Institute unconditionally guarantees the performance of AHI in its role as general partner of ACLP.

The land and building were donated to Women's Institute by another nonprofit organization. Women's Institute retained ownership of the land and sold the building to ACLP for \$634,872. The value of the land is reported as a real estate investment in the Consolidated Statements of Financial Position. Of the selling price, Women's Institute received 10% of the assessed value of the building as a down payment and holds a mortgage from ACLP for the balance of \$571,385. The first Allonge to the mortgage agreement stipulates that payments are limited to the extent that the project generates positive net cash flow. The entire loan and accrued interest is classified as a long-term asset since there was no current projection of positive cash flow. Interest income accrued for the years ended December 31, 2009 and 2008 amounted to \$37,977 and \$36,038, respectively. As of December 31, 2009 and 2008, the note balance included accumulated interest of \$172,715 and \$134,739, respectively.

In connection with the Acushnet Commons project, the Women's Institute had raised \$110,000 in restricted grants for "sponsor equity" into the project. Those grants were transferred to ACLP in December 2004. The sponsorship equity injection is structured as an interest-free loan, with no payments scheduled during the 15-year period following project completion. Therefore, the balance of \$110,000 is carried as a long-term asset in the accompanying Consolidated Statements of Financial Position. These mortgage notes are secured by real estate and are considered fully collectible.

A separate land lease was signed in 2004, whereby the Women's Institute has leased the land to ACLP for 99 years at an annual rate of \$4,800, commencing November 15, 2004. In 2008, the Women's Institute amended the land lease to be payable only to the extent of positive net cash-flow. As a result, no lease payments were collected in 2008, and the Women's Institute retroactively forgave \$6,000 of prior year lease receivables. No lease payments were collected in 2009.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 *(Continued)*

Capernaum Place, Lawrence, MA (an investment of Women's Institute)

The Women's Institute served as development consultant to Lazarus House, Inc. in developing Capernaum Place in Lawrence, MA. The Women's Institute agreed to serve as the minority partner of Lazarus Hope Housing, Inc., the general partner entity for Lazarus Hope LLC, a limited liability company established on behalf of Capernaum Place.

The Women's Institute owns 21% of the common stock of Lazarus Hope Housing, Inc. with a nominal value. Opened in 2007, the development provides 20 units of supportive housing and program space.

Ferry Crossing, Old Saybrook, CT (an investment of WIR – CT)

In 2009, the Women's Institute was selected by The HOPE Partnership, a nonprofit organization, as its preferred developer to develop 16 units of affordable housing in Old Saybrook, Connecticut. A Memorandum of Understanding has been executed between the organizations, and the project is currently in design development. In October 2009, WIR – CT entered into a loan agreement with Local Initiatives Support Corporation (LISC) to support various pre-development costs, with a maximum loan amount of \$99,000 *(See Note 4)*. As of December 31, 2009, pre-development costs totaling \$122,413 have been recognized as *Deferred Project Costs* in the Consolidated Statements of Financial Position. For the year ended December 31, 2009, project management fee revenue and offsetting project consultant expenses totaling \$18,700 were recognized in connection with this project. As of December 31, 2009, Women's Institute had additional accumulated, but unrecognized, project management fees totaling \$31,650. The Women's Institute will recognize accumulated project management and development revenue when the fees are legally collectible, which is typically at the benchmarks of finance closing, substantial construction progress and/or construction completion, and stabilized occupancy.

Indian Field Apartments, New Milford, CT (an investment of Women's Institute)

Indian Field Limited Partnership ("IFLP"), a limited partnership, and Indian Field Housing Corporation ("IFHC"), a for-profit corporation, were established in December 2006 to facilitate the acquisition, construction, and operation of a property known as Indian Field Apartments in New Milford, Connecticut. Opened in 2009, the development provides 40 units of affordable housing and a community center.

The Women's Institute owns 51% of the common stock of IFHC, with New Milford Affordable Housing, Inc. an unrelated organization, holding the remaining 49%. The Women's Institute unconditionally guarantees the performance of IFHC in its role as general partner of IFLP. There were no financial transactions for IFHC for the years presented, and the ownership interest is nominal.

Through December 31, 2009, the Women's Institute has recognized cumulative development fees associated with this project totaling \$345,976, of which \$152,261 was recognized in 2007 with the balance of \$193,715 recognized in 2009. The Women's Institute recognizes accumulated project management and development revenue when the fees are legally collectible, which is typically at the benchmarks of finance closing, substantial construction progress and/or construction completion, and stabilized occupancy. According to this policy, 2008 unrecognized project management fees of \$99,844 were recorded as revenue in 2009. As of December 31, 2009, *Accounts Receivable, Program Services* includes \$193,746 due from IFLP.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 (Continued)

In 2009, additional out-of-pocket project costs totaling \$4,047 were advanced to the project during the lease-up phase and have been reported as *Due from Affiliates* on the accompanying Consolidated Statements of Financial Position, which are expected to be reimbursed from the project's stabilized operating cash flow. During 2008, additional out-of-pocket costs totaling \$4,426 have been recorded as *Short-Term Project Advances* on the accompanying Consolidated Statements of Financial Position, and were subsequently expensed as *Project Costs* in 2009 as the project's development funds were exhausted and this receivable was waived by the Women's Institute.

In April 2008, the Women's Institute entered into loan and pass-through agreements with the Connecticut Department of Economic and Community Development ("DECD") and IFLP, totaling \$3,062,457. These funds were awarded to the Women's Institute in 2007, and reflect 40-year financing from the State of Connecticut for the project. As State restrictions precluded transfer of the award directly to IFLP, the Women's Institute agreed to serve as a fiscal agent for these funds. As of December 31, 2009 and 2008, a total of \$3,062,457 and \$2,832,659, respectively, had been received by IFLP for the project's development. The transaction is reported as a long-term note receivable from IFLP with an offsetting long-term note payable to DECD (See Note 4).

In November 2007, the Women's Institute entered into a mortgage agreement with IFHC in the amount of \$246,034. The agreement includes several transactions and commitments on behalf of the sponsor, including (1) a \$25,000 "sponsor equity" loan from restricted grant funds received by the Women's Institute on behalf of the project, (2) a commitment for \$124,929 in additional funds should they be needed for construction contingencies, and (3) a commitment for \$96,105 in deferred developer fee should funds be needed to cover any shortfall in project development revenues to expenses. The mortgage matures on November 2, 2047, and stipulates that no payments are expected against the principal or interest balance. As of December 31, 2009 and 2008, \$25,000 had been invested in the project under the agreement and is classified as a long-term note receivable.

Ingraham Place, New Bedford, MA (an investment of WIR - MA)

Ingraham School LLC ("IS LLC"), a limited liability company, was established in July 2008 to facilitate the acquisition, construction, and operation of a property to be known as Ingraham Place in New Bedford, MA. Once completed, the development will provide 19 units of permanent rental housing for low-income residents, commercial space for a nonprofit tenant, and community space. WIR - MA is the sole member of IS LLC.

In October 2008, IS LLC purchased property from the City of New Bedford for \$225,000. The purchase agreement restricted the use of the property to affordable housing and associated programs, and includes a reverter clause if re-development of the property has not substantially progressed by October 2011. As of December 31, 2009, all financing had been awarded and construction is expected to commence in mid-2010. Acquisition and pre-development costs totaling \$609,422 (including capitalized interest of \$5,384) and \$314,279 have been recognized as *Real Estate Investments* in the Consolidated Statements of Financial Position as of December 31, 2009 and 2008, respectively.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 (Continued)

As of December 31, 2009 and 2008, accumulated, but unrecognized, project management fees associated with this project amounted to \$160,228 and \$67,213, respectively. Women's Institute will recognize accumulated project management and development revenue when the fees are legally collectible, which is typically at the benchmarks of finance closing, substantial construction progress and/or construction completion, and stabilized occupancy.

Lechmere Crossing, Cambridge, MA (an investment of WIR - MA)

Lechmere Crossing LLC ("LC LLC"), a limited liability company, was established in May 2008 to facilitate the acquisition, construction, and operation of a property to be known as Lechmere Crossing in Cambridge, MA. In association with a private developer, LC LLC entered into a Purchase and Sale Agreement with the property owner in May 2008.

Various early project costs were assumed by LC LLC throughout 2008 as project design and feasibility were undertaken. In late 2008, local zoning challenges, as well as decreased financing availability, rendered the project infeasible. LC LLC notified the property owner in December 2008 of its intent to terminate the Purchase and Sale Agreement. After negotiating with its vendors to reduce or waive some of the incurred costs, final project costs totaled \$54,071, which have been recorded as *Project Costs* under LC LLC and recognized as an expense by WIR - MA for the year ended December 31, 2008.

Park City Apartments, Bridgeport, CT (an investment of WIR-CT)

In 2006, the Women's Institute was selected by the Housing Authority of the City of Bridgeport ("HACB") as its preferred developer to redevelop the former Park City Hospital into 110 units of affordable and supportive housing for low-income individuals, veterans, and seniors in Bridgeport, Connecticut. After exercising an early option on the property in 2006 and a Memorandum of Agreement with HACB in 2007, a ground lease was executed on behalf of the project between Park City Limited Partnership ("PCLP") and HACB in November 2008.

The project includes two distinctly separate phases within one property, each of which has an independent ownership structure and financing which has been formally defined through a condominium agreement. As a result, project details are separately referenced below under Eleanor Apartments (formerly Park City Senior Housing) and The Franklin (formerly Park City Supportive Housing).

Eleanor Apartments

Park City Limited Partnership ("PCLP"), a limited partnership, and Park City Housing Corporation ("PCHC"), a for-profit corporation, were established in November 2007 to facilitate the acquisition, construction, and operation of the senior housing phase of the Park City Hospital redevelopment project, to be known as Eleanor Apartments. Once completed, the development will offer 62 units of affordable housing for low-income seniors, including congregate-living housing for seniors in need of additional services. The project has closed on all of its financing and entered construction in late 2008; construction completion is anticipated for Spring 2010.

WIR - CT owns 100% of the common stock of PCHC, which serves as the general partner of PCLP. WIR - CT unconditionally guarantees the performance of PCHC in its role as a general partner. The value of PCHC is nominal.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 (Continued)

In November 2008, PCLP entered into a Limited Partnership Agreement (“LPA”) with Wincopin LLLP (“Wincopin”), the Low-Income Housing Tax Credit investor for the project. Wincopin replaced the stand-in limited partner, WIR-CT, at that time, and became the 99.99% member of PCLP. HACB-Park City, Inc. was also admitted as a .005% Special Limited Partner at that time. PCHC retains a .005% membership in PCLP, and has been designated the Managing Member. Tax credit equity will be infused into the project on a schedule outlined in the LPA.

In December 2008, funds totaling \$322,500 were awarded to the project through the State of Connecticut Housing Tax Credit Contribution (“HTCC”) Program. The program, administered by the Connecticut Housing Finance Authority, provides private corporations with a dollar-for-dollar credit against their state corporate income tax obligation for grant contributions to approved projects. The grant is restricted for capital investment in the project, which was formalized in December 2008.

Through December 31, 2009, the Women’s Institute had recognized cumulative development fees associated with this project in the amount of \$440,697, of which \$162,182 was recognized in 2009 and \$278,515 was recognized in 2008. The Women’s Institute will continue to recognize accumulated project management and development revenue when the fees are legally collectible, which is typically at the benchmarks of finance closing, substantial construction progress and/or construction completion, and stabilized occupancy. As of December 31, 2009 and 2008, *Accounts Receivable, Program Services* includes \$40,856 and \$128,634, respectively, in connection with the Eleanor Apartments project.

The Franklin

Park City Supportive Housing LLC (“PCSH”), a limited liability company, was established in August 2008 to facilitate the acquisition, construction, and operation of the supportive housing phase of the Park City Hospital redevelopment project, to be known as The Franklin. Once completed, the development will offer 48 units of supportive housing, with a particular focus on veterans and low-income individuals. WIR - CT is the sole member of PCSH. The project has closed on all of its financing and entered construction in late 2008; construction completion is anticipated for Spring 2010.

In December 2009, funds totaling \$242,768 were awarded to The Franklin through the State of Connecticut HTCC Program, as previously described. Cumulative funds awarded to the project under this funding program total \$664,798, which includes an earlier award of \$488,030 that was received in 2007. All grant funds under this program are restricted for capital investment in the project.

Through December 31, 2009, the Women’s Institute had recognized cumulative development fees associated with this project in the amount of \$302,527, of which \$126,255 was recognized in 2009 and \$176,272 was recognized in 2008. The Women’s Institute will continue to recognize accumulated project management and development revenue when the fees are legally collectible, which is typically at the benchmarks of finance closing, substantial construction progress and/or construction completion, and stabilized occupancy. As of December 31, 2009, payments totaling \$31,344 had been received in excess of the revenue recognized by the Women’s Institute; accordingly, the excess amount has been recorded as *Deferred Revenue* in the accompanying Consolidated Statement of Financial Position as of December 31, 2009, and will be recognized as program service revenue in 2010, as the project progresses. As of December 31, 2008, *Accounts Receivable, Program Services* includes \$176,272 in connection with The Franklin project.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 *(Continued)*

Project Management and Developer Fees on Above Projects

Construction activity and the related funding for each of the above projects is reported separately by the affiliated entities with the following exception: Women's Institute periodically acts as Project Manager and Real Estate Developer for these entities and all program revenues and related expenses arising from these affiliations are reported as revenues, capitalized project development costs and/or expenses in the accompanying consolidated financial statements.

For the years ended December 31, 2009 and 2008, Women's Institute recognized project management and developer fees from affiliated entities in the amount of \$501,987 and \$471,350, respectively, which is included in *Project Management Fees and Reimbursed Costs and Developer Fees* on the Consolidated Statements of Activities.

NOTE 2 PROGRAM SERVICES

The mission of the Women's Institute is to *promote economic opportunity and build strong communities by developing safe, affordable and supportive housing for individuals and families*. The Organization's successful strategy is to create long-term partnerships that combine the Women's Institute's core strength as a nonprofit affordable housing developer with the expertise of human service providers, public agencies, and community groups to advance a common objective of increasing housing opportunities for low-income people throughout Massachusetts and Connecticut. These partnerships are focused on creating quality, affordable housing properties that include community space for the provision of support programs to increase family economic stability and independence.

The Women's Institute is an award-winning regional affordable housing developer with offices in Boston, MA and Middletown, CT, and development projects throughout Southern New England. Currently, the Women's Institute is serving as developer for five projects that will total 219 new units of affordable housing when completed, and is working with several organizations as a development consultant to build additional affordable and supportive housing in Massachusetts and Connecticut.

The Women's Institute also assists other nonprofit organizations and community groups with a variety of planning and technical services, such as developing affordable housing strategic plans and assessing existing housing properties.

In 2009, the Women's Institute undertook a comprehensive strategic planning process to establish the following priorities for its work through 2012:

- **Develop safe, affordable and supportive housing** by bringing the Organization's development expertise and management capacity to communities across Massachusetts and Connecticut, and working in partnership with local organizations to create and/or preserve quality housing. The Organization's role will remain flexible to meet the needs of project partners, stakeholders, and neighborhoods, and can include:
 - Direct development and ownership of properties;
 - A full range of development consulting services;

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 2 *(Continued)*

- Shorter-term technical assistance and planning services; and
 - Advocacy at state and national levels to ensure that sufficient capital, operating, and service dollars are available.
- **Promote economic opportunity** by creating housing that is more affordable and therefore decreasing the disproportionate amount of income that many individuals and families must budget for their housing.

Organizational strategies include:

- A priority of housing for very low-income households (30-60% Area Median Income);
 - Partnerships that offer programs to increase economic literacy and stability;
 - Access to education and employment training and support; and
 - Service connections to support people with additional barriers to stable housing, such as long-term poverty, trauma, chronic health issues, and/or insufficient independent living skills.
- **Build strong communities** by creating enduring partnerships that provide support to residents and neighborhoods. The Organization's community approach includes:
- Sharing our resources at the local level as the Organization becomes a member of the community through property ownership;
 - Strengthening local nonprofit organizations with affordable program space; and
 - Incorporating community centers and green space into developments.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's consolidated financial statements are described below to enhance the usefulness of the financial statements to the reader. 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 support, revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization. The following policies should be read in conjunction with the accompanying notes to the consolidated financial statements.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 *(Continued)*

Fair Value of Financial Instruments:

In accordance with generally accepted accounting principles, the Organization adopted the provisions of Fair Value Measurements, and has applied its provisions to assets and liabilities that are recognized or disclosed at fair value on a recurring or nonrecurring basis (at least annually). Fair value measurement defines fair value, establishes a framework for measuring fair value, establishes a three-level fair value hierarchy based on the quality of inputs used to measure fair value and enhances the disclosure requirements for fair value measurements.

The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs to the valuation methodology are quoted market prices for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 - inputs to the valuation methodology are based on prices or valuation techniques that are unobservable.

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of: Women's Institute for Housing and Economic Development, Inc.; Women's Institute Realty, Inc. of Connecticut; Women's Institute Realty, Inc. (of Massachusetts), and their subsidiaries as identified on Schedule A - Schedule of Affiliates and Subsidiaries.

Women's Institute and Affiliates are sponsors for a variety of real estate development projects as disclosed in Note 1. While Women's Institute has a substantial financial interest in these projects, control does not exist and therefore, the interests in certain Limited Partnerships and Limited Liability Companies are not included in the consolidated financial statements. With the exception of capitalized project management and developer fees as described in Note 1, all material inter-affiliated transactions are eliminated in the consolidated financial statements. For the years presented, there are no capitalized project management and developer fees which are reported on the accompanying consolidated financial statements.

Financial Statement Presentation:

In accordance with generally accepted accounting principles, the Organization reports 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. These classifications are related to the existence or absence of donor-imposed restrictions as indicated below.

To further differentiate general operations from significant real estate investments that may create extraordinary balances and fluctuations in the Organization's financial statements, fiscal activity for projects in which the Women's Institute has a long-term development and/or ownership role has been categorized separately where possible.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 (Continued)

For the years presented, revenues related to real estate investments included grant funds for project equity (development funding), mortgage interest on investments, and land leases; functional expenses include direct project costs and management costs for affiliated entities, such as auditing costs, filing fees, and insurance coverage.

Classification of Net Assets:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for charitable activities, operations and programs. Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Organization includes funds which represent unrestricted resources designated by the Board of Directors for operating reserves and programmatic purposes. Women's Institute further distinguishes its Unrestricted Net Assets as relating to general operations and those activities and resources which are specific to its real estate investments.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds, and as of December 31, 2009 and 2008, were restricted to the projects listed below:

<u>Nature of Restriction</u>	<u>2009</u>	<u>2008</u>
Real Estate Development Activities	\$45,000	\$ 65,125
Housing Foundations Fund*	-	88,603
Ingraham Place	7,500	-
Economic Development Programs	2,164	9,695
Asian Women's Programs	26,442	26,276
Time Restricted	<u>10,000</u>	<u>-</u>
Total	<u>\$91,106</u>	<u>\$189,699</u>

*As part of a cooperative agreement with a donor, the Women's Institute is required to contribute an amount equal to the lesser of 15% of developer fees received or 10% of the increase in unrestricted net assets to the Housing Foundations Fund. For the years presented, there were no contributions made to the fund. As of December 31, 2008, the temporarily restricted net asset balance included interest earned on invested funds.

During 2009, the donor foundation removed the restrictions to allow the Board of Directors to designate the best use of the funds. Therefore, during 2009, net assets totaling \$88,603 were released from restriction.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 *(Continued)*

In 1996, the Women's Institute received a gift of \$100,000 to establish the Fung Kam Fund, a permanently restricted fund. Income from the fund is temporarily restricted to support the Women's Institute programs that benefit low-income Asian women.

Endowment Funds:

Endowment Funds consists of one fund with an original gift of \$100,000. The Board of Directors has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, Women's Institute classifies the original gift as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor's restriction, which is to support programs that benefit low-income Asian Women. The following table summarizes the Endowment Net Asset Composition by type of fund as of December 31, 2009 and 2008:

<u>December 31, 2009</u>	<u>Endowment Investments</u>	<u>Cash</u>	<u>Total Endowment Net Assets</u>
Donor-Designated Endowment:			
Permanently Restricted	\$100,000	\$ -	\$100,000
Temporarily Restricted	-	<u>26,442</u>	<u>26,442</u>
Total	<u>\$100,000</u>	<u>\$26,442</u>	<u>\$126,442</u>
<u>December 31, 2008</u>	<u>Endowment Investments</u>	<u>Cash</u>	<u>Total Endowment Net Assets</u>
Donor-Designated Endowment:			
Permanently Restricted	\$100,000	\$ -	\$100,000
Temporarily Restricted	<u>1,546</u>	<u>24,730</u>	<u>26,276</u>
Total	<u>\$101,546</u>	<u>\$24,730</u>	<u>\$126,276</u>

The following schedule summarizes the Changes in Endowment Net Assets for the years presented:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, January 1, 2009	\$100,000	\$26,276	\$126,276
Investment Income	-	1,361	1,361
Net Appreciation (Depreciation)	<u>-</u>	<u>(1,195)</u>	<u>(1,195)</u>
Endowment Net Assets, December 31, 2009	<u>\$100,000</u>	<u>\$26,442</u>	<u>\$126,442</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 (Continued)

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, January 1, 2008	\$100,000	\$22,940	\$122,940
Investment Income	-	2,869	2,869
Net Appreciation	-	467	467
Endowment Net Assets, December 31, 2008	<u>\$100,000</u>	<u>\$26,276</u>	<u>\$126,276</u>

Functional Expenses:

Women's Institute allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using the Organization's time usage allocation formula. Expenses incurred by or for subsidiaries and affiliates are considered program related costs.

Supporting services are those related to operating and managing Women's Institute and its programs on a day-to-day basis. Supporting services have been sub-classified below:

Administrative - includes all activities related to the Women's Institute's internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, indirect costs of special fund raising events, distribution of materials and other similar projects related to the procurement of funds for the Women's Institute's programs.

Revenue Recognition:

In each of the years presented, program service revenue is shown net of all applicable discounts and waivers. The Women's Institute funds its real estate development activities through a combination of grants and program service revenue. Grants are either released from restriction or clients are invoiced for services at standard hourly rates ranging from \$110 - \$150. Under grants and consulting contracts, program service revenue is generally recognized on a monthly basis as services are provided.

When the Women's Institute serves as developer, project management and developer fees are recognized on a schedule approved by the project lenders, which typically adheres to benchmarks for financing closing, construction completion, and stable operations. As of December 31, 2009 and 2008, the Women's Institute had accumulated, but unrecognized, project management/development fees of \$191,878 and \$167,055, respectively.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 *(Continued)*

Contributions, Gifts and Grants:

In accordance with generally accepted accounting principles, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give. Occasionally, the Women's Institute receives donations of stocks, which are recorded as contribution revenue when received.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Conditional Grant Commitments

Women's Institute received a three-year grant which is restricted for increasing affordable housing production in Massachusetts. Funding for the first grant year was approved during 2008, and release of the remaining grant funding is contingent upon achieving sufficient progress as determined semi-annually by the grantor. The total grant commitment is \$75,000, and potentially payable in six semi-annual installments of \$12,500. Of the total award, \$12,500 was recognized in 2009 and \$25,000 was recognized as grant revenue in 2008.

In 2008, Women's Institute received a commitment for \$100,000 for the future development of Ingraham Place which is contingent upon various financing and programmatic benchmarks specific to the development project. The contingencies have not yet been fully met. The full commitment was contingent as of December 31, 2008, and in 2009, \$25,000 was received through funder approval of additional pre-development costs that would allow the project to achieve certain funder requirements.

Of the above grant commitments totaling \$175,000, \$37,500 was recognized as temporarily restricted grant revenue for 2009 and \$25,000 for 2008, and conditional amounts totaling \$112,500 and \$150,000 as of December 31, 2009 and 2008 will be recognized as revenue if and when the terms of the conditions have been met *(See Note 12)*.

Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Multi-year commitments are recorded during the year of the initial pledge.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until restriction conditions are satisfied, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 (Continued)

For the years presented, net assets were released from restriction for the following programs and purposes:

<u>Nature of Restriction</u>	<u>2009</u>	<u>2008</u>
Real Estate Development Activities	\$103,876	\$ 73,545
Housing Foundations Fund	88,603	-
Eleanor Apartments and The Franklin	247,768	825,600
Ingraham Place	40,000	-
Acushnet Commons	-	6,000
Economic Development Programs	7,531	14,555
Strategic Planning	<u>5,000</u>	<u>-</u>
Total Net Assets Released from Restriction	<u>\$492,778</u>	<u>\$919,700</u>

Property and Equipment:

Property, equipment, furnishing and improvement purchases in excess of \$500 are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against income over the estimated useful lives of the assets as expressed in term of years. The following is a fixed asset summary as of December 31, 2009 and 2008:

<u>Asset Category</u>	<u>Est.</u> <u>Life</u>	<u>Cost</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net Book</u> <u>Value</u>	<u>Prior</u> <u>Year</u>
Office Furniture & Equip.	3-5 years	<u>\$24,728</u>	<u>\$15,156</u>	<u>\$9,572</u>	<u>\$5,180</u>

Depreciation Expense was \$3,586 and \$5,460 for the years ending December 31, 2009 and 2008, respectively. During 2009 and 2008, fully depreciated computer equipment originally costing \$16,583 and \$6,895, respectively, was replaced. There were no gains or losses to recognize upon these dispositions.

Cash and Cash Equivalents:

For the purpose of these financial statements, Women's Institute considers equivalent to cash all money market funds and savings deposits which can be and are intended to be converted to cash within 90 days of issuance. Fair value approximates carrying value due to the short maturities of those instruments and are classified within Level 1 of the fair value hierarchy.

Investments:

Investments are classified as short or long-term depending upon the type of investment and the intended holding period. Highly liquid investments, with maturities of 90 days or less are classified as cash equivalents. Investments of permanently restricted net assets are classified as long-term, along with certificates of deposit and bonds with maturity dates extending beyond one year. All investments in the accompanying Consolidated Statements of Financial Position are classified within Level 1 of the fair value hierarchy.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. ND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 (Continued)

During 2009, Women's Institute moved its board designated operating reserve funds into a certificate of deposit with a term of 9 months. Accordingly, this account has been classified as *Short-Term Investments* as of December 31, 2009.

Investments of permanently restricted net assets are considered long-term regardless of the investment liquidity. Women's Institute takes a conservative approach to investing its program and operating funds. For investment of permanently restricted assets, the funds are invested in highly conservative funds, typically bonds, and the term length of investment is adjusted as interest rates fluctuate. For investment of operating and other reserves, the Organization invests its funds based on a balance of rate-of-return as well as liquidity options for cash flow needs. As of December 31, 2009, the long-term investments were temporarily held in a money market fund. As of December 31, 2008, long-term investments consisted of a Federal Home Loan Bank note with a fair value of \$101,545, including unrealized gains of \$1,780. Investment income, gains and losses consisted of the following composition for the years presented:

	<u>2009</u>	<u>2008</u>
Unrealized Gains (Losses)	\$(1,194)	\$ 467
Dividend Income	1,361	2,869
Interest Income	<u>1,762</u>	<u>1,685</u>
Total	<u>\$ 1,929</u>	<u>\$5,021</u>

Accounts Receivable, Program Services:

Accounts Receivable, Program Services represents amounts due from affiliates and other nonprofit organizations for real estate development activities. The Organization's management believes that all accounts receivable from program services are collectible, and therefore, no allowance for doubtful accounts has been established. If accounts are determined to be uncollectible in subsequent periods, they will be charged to activities at that time. There were no uncollected program service fees for the years presented. As of December 31, 2009, 50% of total accounts receivable from program services were due from the Indian Field project. As of December 31, 2008, 65% of total accounts receivable from program services were due from the Eleanor Apartments and The Franklin project.

Grants Receivable:

For each year presented, *Grants Receivable* represents the balance due on two restricted commitments, which are payable in quarterly and semi-annual installments. The grant commitments are scheduled for payment within one year of each respective reporting period and, accordingly, are classified as current assets. As these commitments are considered fully collectible, no allowance for uncollectible grants receivable has been established.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. ND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 3 (Continued)

Intangible Assets - Organization Costs:

Organization Costs reflects costs incurred in connection with establishing the corporate structure for Women's Institute Realty of Connecticut, Inc. and the related tax-exempt application process. *Organization Costs* totaling \$16,051 are being amortized on a straight-line basis over a five-year period beginning with 2008, and are presented net of accumulated amortization.

Non-Cash Financing Transactions:

As disclosed in Note 4, Women's Institute, on behalf of Indian Field Limited Partnership, and as a project co-sponsor, acting through the Indian Field Housing Corporation as its General Partner, simultaneously entered into a loan and a pass-through agreement to accept proceeds from a long-term real estate financing transaction which were assigned to and received directly by Indian Field Limited Partnership in the amount of \$3,062,457 as of December 31, 2009 and \$2,832,659 as of December 31, 2008.

Tax Position:

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an organization's financial statements. The Organization adopted the provisions of this standard on July 1, 2009. The implementation of this standard did not have any impact on the financial position or net assets of the Organization.

The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation. All tax periods prior to 2006 are no longer subject to examination by tax authorities.

NOTE 4 DEBT

Operating Lines-of-Credit:

Massachusetts Housing Partnership ("MHP") Working Capital Line-of-Credit

Women's Institute has established a working capital line-of-credit with MHP for \$400,000. Proceeds from the line-of-credit are to be used for affordable housing development and related operations. The borrowing limit may be drawn down within one year from the closing date of July 16, 2008 and must be repaid within two years of the closing date; however, the drawdown period may be extended by one year. Presently, the note matures on July 15, 2010, at which time all outstanding amounts plus interest must be paid. The interest rate is prime -1%, which was 2.25% as of December 31, 2009 and 2008.

As of December 31, 2009 and 2008, \$300,000 had been borrowed and was outstanding. The note requires Women's Institute to maintain certain financial statement ratios and minimum level of liquidity.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 4 (Continued)

Citizens Bank Working Capital Line-of-Credit

Women's Institute has a working capital line-of-credit with Citizens Bank with available credit of \$75,000 subject to interest at the bank's prime rate plus 2%, which was 5.25% as of December 31, 2009 and 2008. Borrowings on the line are secured by a first security interest in all business assets of the Organization. As of December 31, 2009 and 2008, the line-of-credit had a balance of \$70,000 and \$50,000, respectively.

The fair value of the above working capital lines-of-credit approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and short-term maturities and are classified within Level 1 of the fair value hierarchy.

Real Estate Financing:

*Corporation for Supportive Housing ("CSH") Pre-Development Loan - Eleanor Apartments and The Franklin**

WIR-CT secured a project-based pre-development loan in the amount of \$300,000 from CSH in connection with the development project. The loan matured upon the earlier of the closing of the construction financing or February 28, 2009, subject to interest at the annual rate of 6%. As of December 31, 2008, the balance of the loan, including accrued interest, was \$309,200, and was classified as a current liability. The maturity date was extended to July 1, 2009, and the note, including accrued interest, was paid in full on April 24, 2009.

*Community Economic Development Assistance Corporation ("CEDAC") Acquisition Loan - Ingraham Place**

IS LLC purchased land and a building formerly known as the Ingraham School from the City of New Bedford, Massachusetts. The purchase price of \$225,000 was financed by CEDAC pursuant to a note dated October 28, 2008. The note bears interest at the annual rate of 2%, payable quarterly in arrears. The loan matures upon the earlier of the closing of the construction financing or October 28, 2010. The full balance of the loan is reported as a long-term real estate debt.

*CEDAC Pre-Development Loan - Ingraham Place**

Effective August 19, 2008, the Women's Institute entered into a loan agreement with CEDAC on behalf of the project to provide pre-development financing for early project costs. The loan agreement has a maximum borrowing limit of \$400,000. As of December 31, 2009, \$325,000 had been authorized for expenditure, while \$274,936 had been received. As of December 31, 2008, \$125,000 had been authorized for expenditure, while \$50,000 had been received.

In 2009, the obligation was formally transferred to IS LLC. The loan bears interest at rates ranging from 3% to 7% per annum and is due upon the earlier of the closing of the construction financing or default. The outstanding balance of the loan is reported as a long-term real estate debt.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 4 (Continued)

*DECD Long-Term Project Financing - Indian Field Apartments***

As disclosed in Note 1, Women's Institute serves as a fiscal agent for IFLP in connection with the permanent financing for the Indian Field Apartment project. Women's Institute received long-term financing on behalf of the project, which was simultaneously loaned to IFLP bearing equal terms and conditions.

Accordingly, Women's Institute carries a liability for a 40-year, non-interest-bearing loan for which payment is deferred and forgivable at the discretion of DECD. As of December 31, 2009 and 2008, the outstanding amount of \$3,062,457 and \$2,832,659, respectively, is reported as a long-term note receivable from IFLP with a corresponding long-term real estate debt to DECD.

*Local Initiatives Support Corporation ("LISC") - Ferry Crossing**

WIR-CT secured a project-based pre-development loan with a borrowing capacity of \$99,000 from LISC in connection with the Ferry Crossing development project. The note is dated November 3, 2009 and matures upon the earlier of the closing date of the construction financing or December 1, 2010, and bears interest at the annual rate of 5%. As of December 31, 2009, the outstanding balance of the loan was \$85,316, and is classified as a current liability.

*Real Estate Financing - Fair value approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities and are classified within Level 1 of the fair value hierarchy.

**Deferred Forgivable Debt - Fair value approximates the carrying value. These obligations have deferred payment of interest and principal unless and until certain trigger events occur. Given the contingent nature of the debt and the underlying deed restrictions and affordable housing regulations, which impose limitations on the usage of the facilities, the Organization has classified this debt within Level 2 of the fair value hierarchy.

NOTE 5 DONATED ASSETS AND SERVICES

In accordance with generally accepted accounting principles, Women's Institute maintains a policy whereby the value of the donated goods and services which requires a specialized skill and/or which would have otherwise been purchased by the Organization are recognized as in-kind revenue with a corresponding increase in functional expenses, or fixed assets as explained below.

Donations of property, material and services are reflected as *Value of In-Kind Services* in the accompanying Consolidated Statements of Activities at their fair market value at the date of receipt. Goods and services donated are identified on the Consolidated Statements of Functional Expenses, while fixed assets are recorded as *Property and Equipment* on the accompanying Consolidated Statements of Financial Position. For the years presented, there were no donated goods or services which met the recognition criteria.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 6 RELATED PARTY TRANSACTIONS

For the years presented, *Due from Affiliates* consist of the following balances:

	<u>2009</u>	<u>2008</u>
Due from Acushnet Commons, LP:		
Profit Distribution Due (*)	\$ -	\$ 569
Short-Term Advance	<u>8,691</u>	<u>15,691</u>
Total Acushnet Commons	8,691	16,260
Due from Indian Field Housing Corp:		
Pre-Development Loan/Advance	4,047	-
Due from Eleanor Apartments and The Franklin:		
Deferred Project Costs	<u>-</u>	<u>308,537</u>
Total	<u>\$12,738</u>	<u>\$324,797</u>

(*) Waived in 2009

Revenue recognized from affiliated entities for the years presented are as follows:

	<u>2009</u>	<u>2008</u>
Accrued Interest on Notes Receivable:		
Acushnet Commons	\$ 37,977	\$ 36,038
Indian Field Housing Corporation	547	-
Project Management Fees:		
Eleanor Apartments and The Franklin	288,437	454,740
Indian Field Limited Partnership	193,715	-
Ferry Crossing	18,700	-
Lazarus House	-	16,610
Expense Reimbursements:		
Ferry Crossing	<u>1,103</u>	<u>-</u>
Total	<u>\$540,479</u>	<u>\$507,388</u>

As more fully discussed in Note 1, Women's Institute holds long-term notes receivable from Acushnet Commons Limited Partnership totaling \$681,385. The aggregate balance of these notes and loans receivable, including accrued interest, held by Women's Institute as of December 31, 2009 and 2008 was \$854,100 and \$816,123, respectively.

As disclosed in Notes 1 and 4, Women's Institute holds a note receivable from IFLP in the amount of \$3,062,457 as December 31, 2009 (\$2,832,659 as of December 31, 2008), with a corresponding debt to DECD. In addition, Women's Institute holds a note receivable from Indian Field Housing Corporation in the amount of \$25,547 and \$25,000 as of December 31, 2009 and 2008, respectively.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 7 OCCUPANCY

Occupancy includes the costs associated with renting office space in Boston, Massachusetts and in Middletown, Connecticut. *Occupancy Costs* includes expenditures for rent and utilities (See Note 8). Each of these items is included in the Organization's occupancy costs and, in accordance with generally accepted accounting principles, is allocated on a functional basis to the various programs and supporting services according to the percentages derived from the usage of the space as expressed in terms of square footage and time spent. The *Occupancy* category includes the following costs:

<u>Occupancy Costs</u>	<u>2009</u>	<u>2008</u>
Massachusetts:		
Rent - Office Space	\$57,225	\$57,702
Utilities	3,541	2,978
Relocation Costs	4,166	-
Connecticut:		
Rent - Office Space	13,275	16,886
Office Cleaning	3,323	1,498
Utilities	<u>4,057</u>	<u>3,853</u>
Total Occupancy Costs	<u>\$85,587</u>	<u>\$82,917</u>

NOTE 8 LEASE OBLIGATIONS

Women's Institute occupied a facility consisting of 2,627 square feet of office space in downtown Boston on a tenancy-at-will basis through March 15, 2009. The base monthly rent was \$4,730 through December 31, 2008, at which time it increased to \$5,201 per month.

Women's Institute relocated its Boston offices pursuant to a lease effective March 1, 2009, expiring March 31, 2016, with rent commencing on April 1, 2009. The base annual rent for the first lease year is \$58,848, payable in monthly installments of \$4,904, and is subject to annual increases of 2%. The new lease requires a security deposit of \$9,808, and does not include utilities.

Women's Institute also leases office space in Middletown, Connecticut pursuant to a five-year lease, expiring June 30, 2012, that provides approximately 1,661 square feet of office and program space. The base annual rent for the initial lease year is payable in monthly installments of \$1,384, and is subject to annual increases of 5%. Effective May 1, 2009, WIHED agreed to sublease a portion of its space to another organization for a one-year term in exchange for monthly payments of \$575. For the year ended December 31, 2009, sublease rent totaling \$4,600 has been netted against the Connecticut rent expense.

Women's Institute leases telephone and copier equipment pursuant to various operating lease arrangements. The lease terms are 48 - 60 months, and the monthly costs range from \$120 - \$196. The leases are non-cancelable and have been properly classified as operating leases. Copier equipment is also leased pursuant to two 36-month operating leases, whereby the aggregate payments are \$372 per month. As operating leases, the payments are treated as expenses when incurred and included in *Equipment Rental and Maintenance* in the accompanying Consolidated Statements of Functional Expenses.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 8 *(Continued)*

The combined future minimum lease payments arising from the above commitments are scheduled below for the following five year period:

<u>Year Ending</u>	<u>Lease Obligation</u>	<u>Sublease</u>	<u>Net Cost</u>
December 31, 2010	\$ 83,112	\$(2,300)	\$ 80,812
December 31, 2011	82,314	-	82,314
December 31, 2012	71,896	-	71,896
December 31, 2013	63,264	-	63,264
December 31, 2014	<u>64,441</u>	<u>-</u>	<u>64,441</u>
Total	<u>\$365,027</u>	<u>\$(2,300)</u>	<u>\$362,727</u>

NOTE 9 CONCENTRATIONS

Revenue Concentrations:

December 31, 2009:

For the year ended December 31, 2009, Women's Institute recognized project management fees totaling \$482,152 from the Indian Field and Eleanor Apartments and The Franklin projects. In addition, WIR-CT received a grant for \$242,768 to be used as sponsor equity in The Franklin project. Collectively, the project management fees and the grant accounts for approximately 51% of the total support and revenue for the year ended December 31, 2009.

December 31, 2008:

For the year ending December 31, 2008, Women's Institute recognized project management fees totaling \$454,740 from the Eleanor Apartments and The Franklin project. In addition, WIR-CT received a grant for \$322,500 to be used as sponsor equity in connection with the Eleanor Apartments. Collectively, the project management fees and the grant accounts for approximately 50% of the total support and revenue for the year ended December 31, 2008.

NOTE 10 EMPLOYEE BENEFIT PLAN

Women's Institute maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan allows employees of the Organization to defer a percentage of their earnings from current taxation by investing in annuities.

Pursuant to the plan, Women's Institute makes a matching contribution of up to \$500 per employee per calendar year. For the years ending December 31, 2009 and 2008, the employer contributions to the benefit plan were \$2,000 and \$2,462, respectively, which is reported as *Fringe Benefits* on the Consolidated Statements of Functional Expenses. In addition, employees may also participate in a Section 125 cafeteria plan which provides for pre-tax medical and dependent care deductions. A supplemental Health Savings Account Plan was established in 2009 in response to an increased deductible in the health insurance plan. Under the HSA, Women's Institute reimburses its employees for a portion of their deductible amounts.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 11 COMMITMENT AND CONTINGENCIES

Contingent Liabilities:

Pursuant to the Purchase and Sale agreement with the City of New Bedford for the acquisition of the property by IS LLC, if the project fails to complete or substantially commence construction within 30 months of acquisition, or April 27, 2011, the property may revert to the City of New Bedford. The agreement provides for two six month extensions, at the discretion of the City of New Bedford.

Affordable Housing Regulations:

Each of the real estate financing obligations disclosed in Note 4 imposes a restriction on the use of the facilities. The primary purpose of these restrictions are to assure the lenders and funders that the premises will be retained as affordable housing for the long-term occupancy and use by low and very low income families. Noncompliance with the affordable housing provisions of the various debt instruments may result in default.

Guarantees:

Women's Institute has provided a variety of guarantees for the performance of its affiliates and subsidiaries in their development-stage activities and in the conduct of subsequent operations. In addition, Women's Institute has guaranteed certain real estate financing transactions on affiliated projects for which Women's Institute or its affiliates serves as the developer.

NOTE 12 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through June 21, 2010, the date which the financial statements were available for issue, and noted the following events which met the criteria.

Indian Field Apartments:

In January 2010, a mechanic's lien totaling \$652,915 was placed on the property of Indian Field Limited Partnership (IFLP) by the general contractor for the development project. Additionally, a mechanic's lien totaling \$180,000 was placed on the property by a subcontractor of the general contractor. The liens represent (1) a claim against retainage held until construction and contract completion, totaling \$408,706, and (2) the parties' respective claims that certain additional work was performed on the project and is therefore owed by IFLP. Of these claims totaling \$832,915, IFLP currently holds the construction retainage of \$408,706 in escrow pending contract completion by the contractor, and disputes the validity of the remaining claims totaling \$424,209. IFLP has contacted the surety company that holds the Payment and Performance Bond of the contractor, as these liens represent a violation of the general contractor's contract.

As its General Partner, Women's Institute has guaranteed the performance of IFLP, and therefore has potential exposure to the extent of the unfunded claims, should the claimant prevail. IFLP has retained counsel to contest these liens, and it is the position of said counsel that the claims of the general contractor and its subcontractor lack serious merit. IFLP intends to vigorously contest the amount of the disputed claims, and is considering a counter-claim for Loss Damages as is its right under the contract.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 12 (Continued)

To date in 2010, Women's Institute has advanced funds totaling \$15,675 to IFLP in connection with the defense of this claim. These financial statements do not contain any adjustments that would be necessary in the event that the claimant prevails.

The Franklin (Park City Apartments):

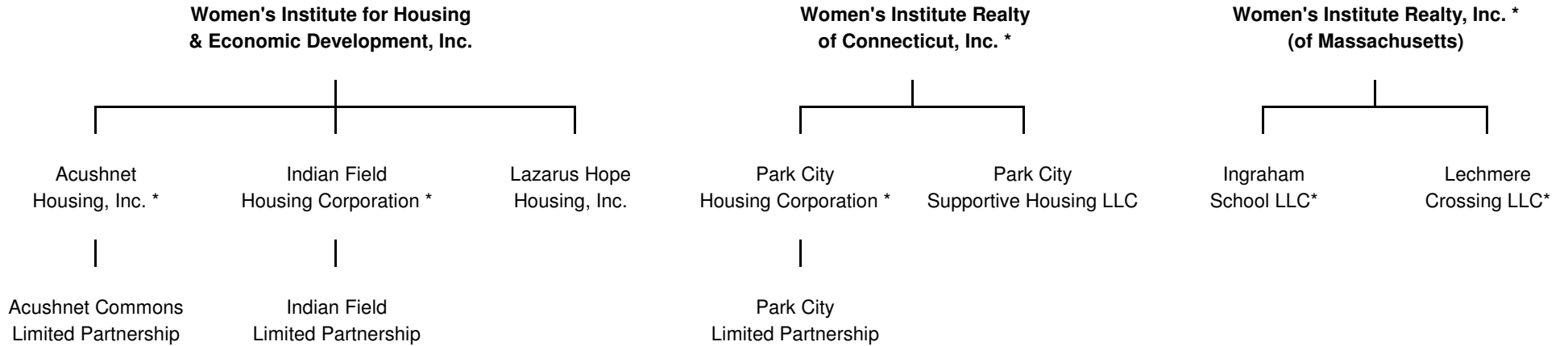
In October 2009, Connecticut Housing Tax Credit Contribution (HTCC) funds totaling \$500,000 were awarded to Park City Supportive Housing LLC (PCSH) on behalf of the development project. Once awarded, the owner must secure donors to contribute under the HTCC program; in November 2009, PCSH secured commitments from two donors for the maximum award. As of December 31, 2009, \$242,768 of the award was received and recognized. As the commitment to contribute under the program is non-binding and the donor has until March of the subsequent year to submit the contribution, the remaining amount of anticipated HTCC funds was not recorded in these FY 2009 statements. On March 15, 2010, a contribution of \$257,232 was received to fulfill the donor's commitment under the 2009 HTCC program; this contribution will be appropriately recognized as a *Project Equity Grant* in the FY 2010 financial statements.

Ingraham Place:

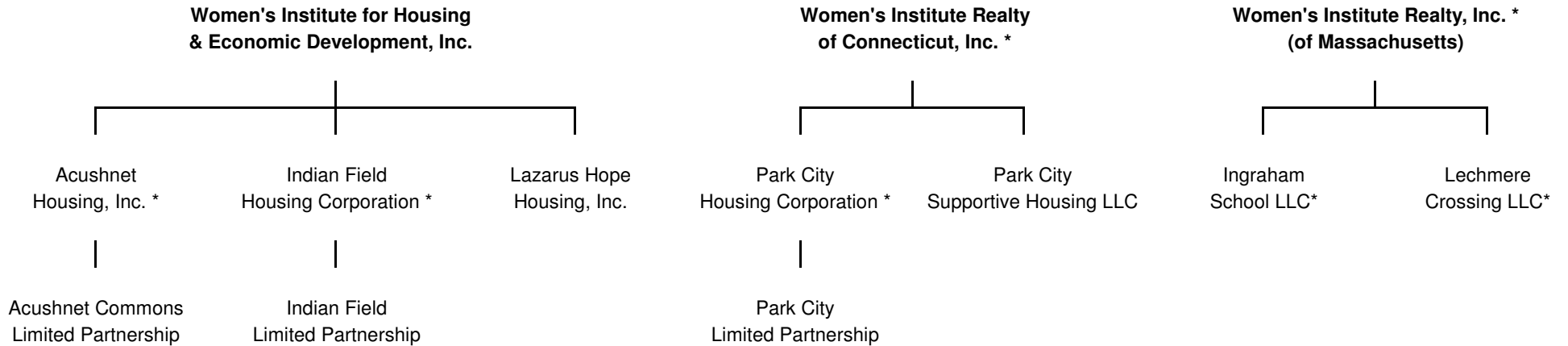
As disclosed in Note 3, as of December 31, 2009, a conditional grant commitment of \$100,000 was received for the future development of Ingraham Place. Of the grant commitment, \$25,000 had been released by the funder and recognized as grant revenue by the Organization; the remaining portion had outstanding conditions that had yet to be met. In June 2010, the remaining conditions were met and the funder released the remaining \$75,000. These restricted funds will be recognized as grant revenue in the FY 2010 Statement of Activities.

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
SCHEDULE A - SCHEDULE OF AFFILIATES AND SUBSIDIARIES
AS OF DECEMBER 31, 2009 AND 2008

AS OF DECEMBER 31, 2009



AS OF DECEMBER 31, 2008



* Affiliates and subsidiaries included in the consolidated financial statements

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AS OF DECEMBER 31, 2009

<u>ASSETS</u>	<u>WOMEN'S INSTITUTE</u>		<u>REAL ESTATE</u>		<u>INTER-AGENCY ELIMINATIONS</u>	<u>CONSOLIDATED NET ASSETS</u>
	<u>OPERATING</u>	<u>RE INVESTMENTS</u>	<u>WI REALTY OF CT</u>	<u>WI REALTY OF MA</u>		
CURRENT ASSETS:						
Cash and Cash Equivalents	\$ 93,790	\$ -	\$ 151	\$ 13,856	\$ -	\$ 107,797
Short-Term Investments	145,662	-	-	-	-	145,662
Accounts Receivable, Program Services	420,170	-	-	-	-	420,170
Grants Receivable	32,500	-	-	-	-	32,500
Due From Affiliates	-	17,290	-	-	(4,552)	12,738
Deferred Project Costs	-	-	122,413	-	-	122,413
Prepaid Expenses	16,491	-	-	-	-	16,491
Total Current Assets	<u>708,613</u>	<u>17,290</u>	<u>122,564</u>	<u>13,856</u>	<u>(4,552)</u>	<u>857,771</u>
NET PROPERTY AND EQUIPMENT	<u>9,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,572</u>
OTHER ASSETS:						
Long-Term Investments	100,000	-	-	-	-	100,000
Real Estate Investments	-	255,502	1,053,298	609,422	(25,100)	1,893,122
Notes and Loans Receivable	25,000	3,942,104	-	-	-	3,967,104
Security Deposits	11,768	-	-	-	-	11,768
Organization Costs, Net	-	-	9,631	-	-	9,631
Total Other Assets	<u>136,768</u>	<u>4,197,606</u>	<u>1,062,929</u>	<u>609,422</u>	<u>(25,100)</u>	<u>5,981,625</u>
TOTAL ASSETS	<u>\$854,953</u>	<u>\$4,214,896</u>	<u>1,185,493</u>	<u>\$623,278</u>	<u>\$(29,652)</u>	<u>\$6,848,968</u>
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Working Capital Lines-of-Credit	\$370,000	\$ -	\$ -	\$ -	\$ -	\$ 370,000
Pre-Development Loans	-	-	85,316	-	-	85,316
Accounts Payable and Accrued Expenses	45,734	-	37,087	92,136	-	174,957
Accrued Payroll and Related Expenses	31,796	-	-	-	-	31,796
Due to Affiliates	-	-	-	-	(4,552)	-
Deferred Revenue	31,344	-	-	4,552	-	31,344
Total Current Liabilities	<u>478,874</u>	<u>-</u>	<u>122,403</u>	<u>96,688</u>	<u>(4,552)</u>	<u>693,413</u>
LONG-TERM REAL ESTATE DEBT	<u>-</u>	<u>3,062,457</u>	<u>-</u>	<u>499,936</u>	<u>-</u>	<u>3,562,393</u>
TOTAL LIABILITIES	<u>478,874</u>	<u>3,062,457</u>	<u>122,403</u>	<u>596,624</u>	<u>(4,552)</u>	<u>4,255,806</u>
NET ASSETS:						
Unrestricted Net Assets	184,973	1,152,439	1,063,090	26,654	(25,100)	2,402,056
Temporarily Restricted Net Assets	91,106	-	-	-	-	91,106
Permanently Restricted Net Assets	100,000	-	-	-	-	100,000
Total Net Assets	<u>376,079</u>	<u>1,152,439</u>	<u>1,063,090</u>	<u>26,654</u>	<u>(25,100)</u>	<u>2,593,162</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$854,953</u>	<u>\$4,214,896</u>	<u>\$1,185,493</u>	<u>\$623,278</u>	<u>\$(29,652)</u>	<u>\$6,848,968</u>

See Auditors' Report . . . 33

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AS OF DECEMBER 31, 2008

<u>ASSETS</u>	<u>WOMEN'S INSTITUTE</u>		<u>REAL ESTATE</u>		<u>INTER-AGENCY ELIMINATIONS</u>	<u>CONSOLIDATED NET ASSETS</u>
	<u>OPERATING</u>	<u>RE INVESTMENTS</u>	<u>WI REALTY OF CT</u>	<u>WI REALTY OF MA</u>		
CURRENT ASSETS:						
Cash and Cash Equivalents	\$243,853	\$ -	\$ 824	\$ 12,143	\$ -	\$ 256,820
Accounts Receivable, Program Services	468,825	-	-	-	-	468,825
Grants Receivable	31,250	-	-	-	-	31,250
Due From Affiliates	-	70,634	308,537	35,355	(89,729)	324,797
Short-Term Project Advances	-	3,095	-	-	-	3,095
Prepaid Expenses	14,217	-	-	-	-	14,217
Total Current Assets	<u>758,145</u>	<u>73,729</u>	<u>309,361</u>	<u>47,498</u>	<u>(89,729)</u>	<u>1,099,004</u>
NET PROPERTY AND EQUIPMENT	<u>5,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,180</u>
OTHER ASSETS:						
Long-Term Investments	101,546	-	-	-	-	101,546
Real Estate Investments	-	230,402	810,530	314,279	-	1,355,211
Notes and Loans Receivable	25,000	3,673,782	-	-	-	3,698,782
Security Deposits	3,772	-	-	-	-	3,772
Organization Costs, Net	-	-	12,841	-	-	12,841
Total Other Assets	<u>130,318</u>	<u>3,904,184</u>	<u>823,371</u>	<u>314,279</u>	<u>-</u>	<u>5,172,152</u>
TOTAL ASSETS	<u>\$893,643</u>	<u>\$3,977,913</u>	<u>\$1,132,732</u>	<u>\$361,777</u>	<u>\$(89,729)</u>	<u>\$6,276,336</u>
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Working Capital Lines-of-Credit	\$350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000
Pre-Development Loans	-	-	309,200	-	-	309,200
Accounts Payable and Accrued Expenses	61,098	35,355	-	67,758	(35,355)	128,856
Accrued Payroll and Related Expenses	27,712	-	-	-	-	27,712
Due to Affiliates	-	-	-	54,374	(54,374)	-
Total Current Liabilities	<u>438,810</u>	<u>35,355</u>	<u>309,200</u>	<u>122,132</u>	<u>(89,729)</u>	<u>815,768</u>
LONG-TERM REAL ESTATE DEBT	<u>-</u>	<u>2,832,659</u>	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>3,107,659</u>
TOTAL LIABILITIES	<u>438,810</u>	<u>2,868,014</u>	<u>309,200</u>	<u>397,132</u>	<u>(89,729)</u>	<u>3,923,427</u>
NET ASSETS:						
Unrestricted Net Assets (Deficit)	165,134	1,109,899	823,532	(35,355)	-	2,063,210
Temporarily Restricted Net Assets	189,699	-	-	-	-	189,699
Permanently Restricted Net Assets	100,000	-	-	-	-	100,000
Total Net Assets	<u>454,833</u>	<u>1,109,899</u>	<u>823,532</u>	<u>(35,355)</u>	<u>-</u>	<u>2,352,909</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$893,643</u>	<u>\$3,977,913</u>	<u>\$1,132,732</u>	<u>\$361,777</u>	<u>\$(89,729)</u>	<u>\$6,276,336</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>WOMEN'S INSTITUTE</u>				<u>INTER-AGENCY ELIMINATIONS</u>	<u>CONSOLIDATED ACTIVITIES</u>
	<u>OPERATING</u>	<u>RE INVESTMENTS</u>	<u>WI REALTY OF CT</u>	<u>WI REALTY OF MA</u>		
<u>SUPPORT AND REVENUES:</u>						
<i>Support and Contributions:</i>						
Foundation and Corporate Grants	\$ 180,750	\$ -	\$ -	\$ -	\$ -	\$ 180,750
Project Equity Grants	-	25,000	242,768	-	-	267,768
Individual Contributions	30,154	-	-	-	-	30,154
Total Support and Contributions	<u>210,904</u>	<u>25,000</u>	<u>242,768</u>	<u>-</u>	<u>-</u>	<u>478,672</u>
<i>Program Services:</i>						
Project Management Fees and Reimbursed Costs	888,170	-	-	-	-	888,170
<i>Other Revenues:</i>						
Interest and Dividend Income	3,123	38,524	-	-	-	41,647
Investment Gains (Losses)	(1,194)	-	-	-	-	(1,194)
Other Miscellaneous Revenues	2,865	-	-	1,566	-	4,431
Total Other Revenues	<u>4,794</u>	<u>38,524</u>	<u>-</u>	<u>1,566</u>	<u>-</u>	<u>44,884</u>
<u>TOTAL SUPPORT AND REVENUES</u>	<u>1,103,868</u>	<u>63,524</u>	<u>242,768</u>	<u>1,566</u>	<u>-</u>	<u>1,411,726</u>
<u>FUNCTIONAL EXPENSES:</u>						
Program Services	930,890	15,986	3,210	12	-	950,098
Administrative	152,546	-	-	-	-	152,546
Fund Raising	68,829	-	-	-	-	68,829
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>1,152,265</u>	<u>15,986</u>	<u>3,210</u>	<u>12</u>	<u>-</u>	<u>1,171,473</u>
<u>CHANGE IN NET ASSETS</u>	<u>(48,397)</u>	<u>47,538</u>	<u>239,558</u>	<u>1,554</u>	<u>-</u>	<u>240,253</u>
<u>TRANSFERS OF NET ASSETS:</u>						
Transfer of Net Assets to Affiliate	-	(35,355)	-	35,355	-	-
Operating Net Assets Used for Real Estate Activities	(30,357)	30,357	-	-	-	-
<u>TOTAL CHANGE IN NET ASSETS</u>	<u>(78,754)</u>	<u>42,540</u>	<u>239,558</u>	<u>36,909</u>	<u>-</u>	<u>240,253</u>
<u>NET ASSETS (DEFICIT) - JANUARY 1, 2009</u>	<u>454,833</u>	<u>1,109,899</u>	<u>823,532</u>	<u>(35,355)</u>	<u>-</u>	<u>2,352,909</u>
<u>NET ASSETS - DECEMBER 31, 2009</u>	<u>\$ 376,079</u>	<u>\$1,152,439</u>	<u>\$1,063,090</u>	<u>\$ 1,554</u>	<u>\$ -</u>	<u>\$2,593,162</u>

WOMEN'S INSTITUTE FOR HOUSING AND ECONOMIC DEVELOPMENT, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

	WOMEN'S INSTITUTE				INTER-AGENCY ELIMINATIONS	CONSOLIDATED ACTIVITIES
	OPERATING	RE INVESTMENTS	WI REALTY OF CT	WI REALTY OF MA		
<u>SUPPORT AND REVENUES:</u>						
<i>Support and Contributions:</i>						
Foundation and Corporate Grants	\$ 216,000	\$ -	\$ -	\$ -	\$ -	\$ 216,000
Project Equity Grants	-	-	322,500	-	-	322,500
Individual Contributions	33,781	-	-	-	-	33,781
Total Support and Contributions	<u>249,781</u>	<u>-</u>	<u>322,500</u>	<u>-</u>	<u>-</u>	<u>572,281</u>
<i>Program Services:</i>						
Project Management Fees and Reimbursed Costs	921,922	-	-	-	-	921,922
<i>Other Revenues:</i>						
Interest and Dividend Income	4,060	36,038	437	57	-	40,592
Investment Gains	467	-	-	-	-	467
Other Miscellaneous Revenues	1,720	-	-	-	-	1,720
Total Other Revenues	<u>6,247</u>	<u>36,038</u>	<u>437</u>	<u>57</u>	<u>-</u>	<u>42,779</u>
<u>TOTAL SUPPORT AND REVENUES</u>	<u>1,177,950</u>	<u>36,038</u>	<u>322,937</u>	<u>57</u>	<u>-</u>	<u>1,536,982</u>
<u>FUNCTIONAL EXPENSES:</u>						
Program Services	943,852	13,118	3,425	54,071	-	1,014,466
Administrative	171,746	-	-	-	-	171,746
Fund Raising	61,129	-	-	-	-	61,129
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>1,176,727</u>	<u>13,118</u>	<u>3,425</u>	<u>54,071</u>	<u>-</u>	<u>1,247,341</u>
<u>CHANGE IN NET ASSETS</u>	<u>1,223</u>	<u>22,920</u>	<u>319,512</u>	<u>(54,014)</u>	<u>-</u>	<u>289,641</u>
<u>TRANSFERS OF NET ASSETS:</u>						
Transfer of Net Assets to Affiliates	-	(29,643)	10,984	18,659	-	-
Real Estate Net Assets Used for Operating Activities	30,905	(30,905)	-	-	-	-
<u>TOTAL CHANGE IN NET ASSETS</u>	<u>32,128</u>	<u>(37,628)</u>	<u>330,496</u>	<u>(35,355)</u>	<u>-</u>	<u>289,641</u>
<u>NET ASSETS - JANUARY 1, 2008</u>	<u>422,705</u>	<u>1,147,527</u>	<u>493,036</u>	<u>-</u>	<u>-</u>	<u>2,063,268</u>
<u>NET ASSETS (DEFICIT) - DECEMBER 31, 2008</u>	<u>\$ 454,833</u>	<u>\$1,109,899</u>	<u>\$823,532</u>	<u>\$(35,355)</u>	<u>\$ -</u>	<u>\$2,352,909</u>