

2004

**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION - NOT-FOR-PROFIT)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**(Together with Independent Auditor's Report)**

**STREET WORKS, INC.**

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**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION - NOT-FOR-PROFIT)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**(Together with Independent Auditor's Report)**

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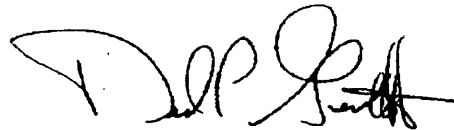
### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Street Works, Inc.  
Nashville, Tennessee

I have audited the accompanying statement of financial position of Street Works, Inc. (a Tennessee Corporation – Not For Profit) as of December 31, 2004 and the related statements of support, revenues and expenses and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly in all material respects, the financial position of Street Works, Inc. as of December 31, 2004, and the results of its operations, cash flows and changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.



DAVID P. GUENTHER

July 8, 2005

**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION - NOT FOR PROFIT)**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2004**

**ASSETS**

**Current Assets:**

Cash in the bank	\$ 2,223	
Grant funds receivable	42,644	
Total current assets	<u>44,867</u>	\$ 44,867

**Property and Equipment:**

Office equipment	\$ 36,564	
Less: Accumulated depreciation	<u>(12,829)</u>	
Total property and equipment		<u>23,735</u>
Total assets		<u>\$ 68,602</u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 10,062	
Accrued expenses	<u>2,308</u>	
Total current liabilities		\$ 12,370

**Other Liabilities:**

Loan from officer	\$ <u>6,193</u>	
Total other liabilities		6,193

**Net Assets:**

Unrestricted net assets	\$ <u>50,039</u>	
Total net assets		<u>50,039</u>
Total liabilities and net assets		<u>\$ 68,602</u>

The accompanying notes to financial statements are an integral part of this statement.

**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION - NOT FOR PROFIT)**  
**STATEMENT OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**Support and Revenues:**

Grant funds earned	\$	296,156	
Donated use of facilities		33,000	
Contributions and other		<u>5,549</u>	
Total Support and Revenues	\$		334,705 ✓

**Expenses:**

Program services	\$	289,914	
Management and general		<u>37,190</u>	
Total Expenses			<u>327,104</u> ✓
Excess of support and revenues over expenses	\$		7,601
Unrestricted net assets, December 31, 2003			<u>42,438</u>
Unrestricted net assets, December 31, 2004	\$		<u><u>50,039</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION, NOT FOR PROFIT)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2004**

**Cash flows from operating activities:**

Change in net assets	\$ 7,601
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**Adjustments to reconcile changes in net assets to net cash provided  
(used) by operating activities**

Depreciation and amortization	5,980
Increase in grant funds receivable	15,033
Decrease in prepaid expenses	1,000
Decrease in accounts payable	(17,506)
Increase in accrued expenses	175
Net cash provided (used) by operating activities:	<u>\$ 12,283</u>

**Cash flows from investing activities:**

Purchase of equipment	\$ (11,920)
Net cash provided (used) by investing activities:	<u>\$ (11,920)</u>

**Cash flows from financing activities:**

Advance on credit line	\$ 13,000
Repayment of credit line	(18,000)
Net cash provided (used) by financing activities:	<u>\$ (5,000)</u>

Net increase in cash	\$ (4,637)
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Cash, beginning of year	<u>6,860</u>
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Cash, end of year	<u><u>\$ 2,223</u></u>
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**Supplement disclosure of cash flow information:**

Cash paid during the year for interest	<u><u>\$ 225</u></u>
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**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION - NOT FOR PROFIT)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Bank charges	\$ -	\$ 170	\$ 170
Client assistance	21,928	-	21,928
Depreciation	5,681	299	5,980
Dues	1,135	-	1,135
Equipment expense	1,750	-	1,750
Insurance	815	-	815
Interest	-	225	225
Occupancy	32,410	900	33,310
Office expense	4,182	-	4,182
Payroll taxes	15,994	2,353	18,347
Postage	95	-	95
Printing & publications	1,215	-	1,215
Professional fees	2,850	150	3,000
Retirement plan contribution	1,654	413	2,067
Salaries and wages	163,487	27,797	191,284
Supplies	29,374	1,624	30,998
Telephone	7,157	182	7,339
Travel	187	3,077	3,264
Total expenses	\$ <u>289,914</u>	\$ <u>37,190</u>	\$ <u>327,104</u>

The accompanying notes to financial statements are an integral part of this statement.

**STREET WORKS, INC.**  
**(A TENNESSEE CORPORATION-NOT-FOR-PROFIT)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Organizational Status**

Street Works, Inc., (the organization) was incorporated in the State of Tennessee in April, 2000 as a not-for-profit corporation. The organization's mission is to address health disparities and substance use to hard to reach populations in communities of color, specially those infected or affected by HIV/AIDS through education, prevention, care and advocacy.

**Financial Statement Presentations**

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statement of Not-for-Profit Organizations." Under SFAS No. 117 Street Works, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. Street Works, Inc. presently has no temporarily or permanently restricted net assets.

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.



**Revenue Recognition**

Street Works, Inc. recognizes contributions as revenue when the contributions are received. Grant funds are recognized as revenues when such funds are expended for their intended purpose. In addition, revenues have been deferred for grant funds received prior to the fiscal year end which apply to the subsequent year.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, Street Works, Inc. considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of five years.

**Statement of Functional Expenses**

The cost of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates**

Preparation of Street Works, Inc. 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 income and expenses during the reporting period. Actual results could differ from those estimates.

**Tax Status**

Street Works, Inc. is a Tennessee not-for-profit corporation which is not classified as a private foundation by the Internal Revenue Service and is exempt from income tax under Section 501©(3) of the Internal Revenue Code. In addition, Street Works, Inc. qualifies for the charitable contribution deduction.