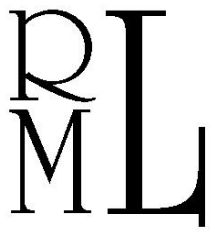


**HIV/AIDS EMPOWERMENT RESOURCE CENTER
FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2014**

R. Michael LaBounty & Associates, P.C.
Certified Public Accountants
2750 Buford Highway, Suite 247
Atlanta, Georgia 30324

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R. MICHAEL LABOUNTY
& ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

2750 BUFORD HIGHWAY, SUITE 247
ATLANTA, GA 30324
ph: 404-636-6272 fax: 404-636-6271

5 SAWGRASS RUN
ST. SIMONS ISLAND, GA 31522
ph: 912-222-4206 fax: 912-268-2594

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
HIV/AIDS Empowerment Resource Center for Young Women, Inc.
d/b/a Empowerment Resource Center
100 Edgewood Avenue, NE
Suite 1020
Atlanta, GA 30303

Report on the Financial Statements

We have audited the accompanying financial statements of HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center (the Organization), which comprise the statements of financial position as of December 31, 2013 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based upon our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
HIV/AIDS Empowerment Resource Center for Young Women, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center as of December 31, 2013 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

R MICHAEL LABOUNTY & ASSOCIATES, PC

Atlanta, Georgia
September 5, 2015

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND 2014**

	2013	2014
ASSETS		
CURRENT ASSETS:		
Cash	\$ 63,283	\$ 42,058
Grants receivable	10,373	39,165
Pledges receivable	-	2,500
Prepaid expenses	-	3,710
	<u>73,656</u>	<u>87,433</u>
PROPERTY & EQUIPMENT:		
Furniture & equipment	24,795	49,737
Vehicle	7,888	9,088
	<u>32,683</u>	<u>58,825</u>
Total property & equipment	32,683	58,825
Accumulated depreciation	(17,168)	(28,245)
	<u>(17,168)</u>	<u>(28,245)</u>
Total property & equipment - net	<u>15,515</u>	<u>30,580</u>
OTHER ASSETS:		
Rent deposits	3,496	3,496
	<u>3,496</u>	<u>3,496</u>
Total assets	<u>\$ 92,667</u>	<u>\$ 121,509</u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2013 AND 2014**

	2013	2014
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 2,238	\$ 19,037
Accrued liabilities	17,022	26,886
Deferred revenue	-	9,323
	<u>19,260</u>	<u>55,246</u>
Total liabilities		
NET ASSETS:		
Unrestricted	<u>73,407</u>	<u>66,263</u>
Total net assets	<u>73,407</u>	<u>66,263</u>
Total liabilities and net assets	<u><u>\$ 92,667</u></u>	<u><u>\$ 121,509</u></u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014**

	2013	2014
CHANGES IN UNRESTRICTED NET ASSETS:		
REVENUES & SUPPORT:		
Government grants	\$ 308,149	\$ 374,069
Contributions	63,656	58,871
In-kind donations	108,355	102,080
Interest income	-	3
Other	2,388	-
	<u>482,548</u>	<u>535,023</u>
EXPENSES:		
Program expenses	330,697	396,328
Fundraising expenses	61,309	76,402
General & administrative expenses	48,350	69,437
	<u>440,356</u>	<u>542,167</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	42,192	(7,144)
NET ASSETS - BEGINNING OF YEAR	<u>31,215</u>	<u>73,407</u>
NET ASSETS - END OF YEAR	<u><u>\$ 73,407</u></u>	<u><u>\$ 66,263</u></u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>G & A Expenses</u>	<u>Total Expenses</u>
December 31, 2014				
Personnel expenses	\$ 304,347	\$ 72,239	\$ 41,843	\$ 418,429
Facilities	48,386	-	2,547	50,933
Supplies	33,201	4,163	3,867	41,231
Professional fees	-	-	20,633	20,633
Depreciation	<u>10,394</u>	<u>-</u>	<u>547</u>	<u>10,941</u>
 Total expenses	 <u>\$ 396,328</u>	 <u>\$ 76,402</u>	 <u>\$ 69,437</u>	 <u>\$ 542,167</u>
 December 31, 2013				
Personnel expenses	\$ 237,094	\$ 59,152	\$ 32,916	\$ 329,162
Facilities	48,280	-	2,541	50,821
Supplies	39,797	2,157	4,649	46,603
Professional fees	-	-	7,953	7,953
Depreciation	<u>5,526</u>	<u>-</u>	<u>291</u>	<u>5,817</u>
 Total expenses	 <u>\$ 330,697</u>	 <u>\$ 61,309</u>	 <u>\$ 48,350</u>	 <u>\$ 440,356</u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

	2013	2014
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 42,192	\$ (7,144)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	5,817	10,941
Decrease (Increase) in grants receivable	16,861	(28,792)
(Increase) in pledges receivable	-	(2,500)
Decrease (Increase) in prepaid expenses	3,512	(3,710)
(Decrease) Increase in accounts payable	(2,787)	16,799
Increase in deferred revenue	-	9,323
Increase in accrued liabilities	<u>15,894</u>	<u>9,864</u>
Net cash provided by operating activities	<u>81,489</u>	<u>4,781</u>
CASH FLOWS (USED BY) INVESTING ACTIVITIES:		
Purchase of property & equipment	<u>(7,168)</u>	<u>(26,006)</u>
Net cash (used by) investing activities	<u>(7,168)</u>	<u>(26,006)</u>
CASH FLOWS (USED BY) FINANCING ACTIVITIES:		
Repayment of demand loan	<u>(12,000)</u>	<u>-</u>
Net cash (used by) financing activities	<u>(12,000)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	62,321	(21,225)
CASH, BEGINNING OF YEAR	<u>962</u>	<u>63,283</u>
CASH, END OF YEAR	<u>\$ 63,283</u>	<u>\$ 42,058</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

SEE INDEPENDENT AUDITORS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

Located in Atlanta, Georgia, HIV/AIDS Empowerment Resource Center for Young Women, Inc. d/b/a Empowerment Resource Center (The Organization) was incorporated as a nonprofit organization in June 2006. The Organization delivers programs and generates solutions to societal and community issues affecting HIV transmission such as sexual abuse, literacy, domestic violence, substance abuse and poor health conditions.

Note A – Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the statements' preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Information regarding its financial position and activities is presented under three separate net asset classifications: unrestricted, temporarily restricted and permanently restricted net assets. As of December 31, 2013 and 2014, there were no permanently restricted net assets.

Receivables - The Organization records grants receivable upon execution of the grant contract. The primary payment source for these receivables is from contributors and cost reimbursement contracts. The Organization records an allowance for uncollectable accounts receivable and adjusts the required provision based upon an evaluation of its historical experience and industry averages. As of December 31, 2013 and 2014, the Organization concluded that no allowance for uncollectable accounts was required.

Property and Equipment - Purchased property and equipment is carried at cost. Donated property and equipment is carried at approximate fair value at donation date. Expenditures of \$1,000 or more for repairs, maintenance, renewals and betterments which prolong an asset's useful life beyond 2 years are capitalized. The cost of assets retired or sold and their associated accumulated depreciation are removed from the accounts upon disposition, with any related gain or loss included in income. Depreciation is provided under the straight-line method over each asset's estimated useful life. Depreciation expense for the years ended December 31, 2013 and 2014 was \$5,817 and \$10,941, respectively.

Restricted and Unrestricted Revenue – Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction expires or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donated Assets and Services - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with generally accepted accounting principles. If the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization, a contribution and an expense of equal amounts are recognized. During 2013 and 2014, the Organization recognized in-kind donations of \$108,355 and \$102,080, respectively.

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014**

Note A – Summary of Significant Accounting Policies (Continued)

Costs Allocated to Programs - The Organization applies allocation formulas to certain groups of expenses to make allocations of expenses to administration, resource development and programs. The allocation formulas are derived from cost of labor based upon personnel assignments and upon the space and resources assigned to the personnel involved in an activity. In addition, there are analyses of time expended for certain activities. Allocation formulas are reevaluated annually or as material changes warrant.

Tax Exempt Status - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2013 and 2014, the Organization had no unrelated business income and, accordingly, no unrelated business income tax. The Financial Accounting Standards Board has issued an Interpretation clarifying when an uncertainty in income taxes should be recognized or disclosed in the Organization’s financial statements. The Organization has reviewed its tax positions and has determined that there are no tax uncertainties requiring recognition or disclosure for the years open to potential IRS examination (2011-2014).

Fair Value of Financial Instruments - The Organization’s financial instruments include cash, grants receivable, accounts payable and accrued liabilities. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Note B – Office Lease

In January 2015, the Organization executed an amended lease, expiring in March 2021. The rental expense for this space was \$43,164 and \$44,420 for the years ended December 31, 2013 and 2014, respectively. As of December 31, 2014, minimum future rental payments under the lease are:

Year ended December 31,	
2015	\$ 65,139
2016	73,536
2017	71,899
2018	78,087
2019	80,415
Thereafter	<u>103,698</u>
Total	<u>\$ 472,774</u>

HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

Note C – Concentration of Credit Risks.

The Organization maintains its cash at several financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is \$250,000 per account per financial institution. As of December 31, 2013 and 2014 the Institution's balances did not exceed these insured limit. Management believes that the FDIC backing and the quality of the financial institution with which these amounts are deposited minimizes any potential risk of material loss.

Note D – Subsequent Events

Management has evaluated events and transactions which occurred through September 5, 2015, which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no events or transactions are required to be disclosed.