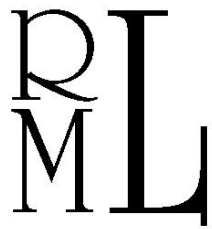


**HIV/AIDS EMPOWERMENT RESOURCE CENTER
FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2015**

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

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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, 2014 and 2015, 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, 2014 and 2015, 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
August 26, 2016

**HIV/AIDS EMPOWERMENT RESOURCE CENTER FOR YOUNG WOMEN, INC.
D/B/A EMPOWERMENT RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2015**

	2014	2015
ASSETS		
CURRENT ASSETS:		
Cash	\$ 42,058	\$ 112,798
Grants receivable	39,165	14,093
Pledges receivable	2,500	25,000
Prepaid expenses	3,710	15,605
Other current assets	-	2,100
	<u>87,433</u>	<u>169,596</u>
PROPERTY & EQUIPMENT:		
Furniture & equipment	49,737	49,737
Software	-	14,500
Vehicle	9,088	9,088
	<u>58,825</u>	<u>73,325</u>
Total property & equipment	58,825	73,325
Accumulated depreciation	<u>(28,245)</u>	<u>(41,431)</u>
Total property & equipment - net	<u>30,580</u>	<u>31,894</u>
OTHER ASSETS:		
Rent deposits	<u>3,496</u>	<u>3,496</u>
Total assets	<u>\$ 121,509</u>	<u>\$ 204,986</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, 2014 AND 2015

	2014	2015
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 45,923	\$ 58,158
Deferred revenue	<u>9,323</u>	<u>-</u>
Total liabilities	<u>55,246</u>	<u>58,158</u>
NET ASSETS:		
Unrestricted	66,263	121,328
Temporarily restricted	<u>-</u>	<u>25,500</u>
Total net assets	<u>66,263</u>	<u>146,828</u>
Total liabilities and net assets	<u>\$ 121,509</u>	<u>\$ 204,986</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, 2014 AND 2015**

	2014	2015
CHANGES IN UNRESTRICTED NET ASSETS:		
REVENUES & SUPPORT:		
Government grants	\$ 374,069	\$ 858,539
Contributions	58,871	30,912
In-kind donations	102,080	49,505
Interest income	3	18
Released restrictions	-	52,500
	<hr/>	<hr/>
Total revenues & support	535,023	991,474
	<hr/>	<hr/>
EXPENSES:		
Program expenses	396,328	717,531
Fundraising expenses	76,402	133,407
General & administrative expenses	69,437	85,472
	<hr/>	<hr/>
Total expenses	542,167	936,409
	<hr/>	<hr/>
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS	(7,144)	55,065
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	-	78,000
Released from restrictions	-	(52,500)
	<hr/>	<hr/>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	-	25,500
	<hr/>	<hr/>
(DECREASE) INCREASE IN NET ASSETS	(7,144)	80,565
NET ASSETS - BEGINNING OF YEAR	73,407	66,263
	<hr/>	<hr/>
NET ASSETS - END OF YEAR	\$ 66,263	\$ 146,828
	<hr/> <hr/>	<hr/> <hr/>

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, 2014 AND 2015

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>G & A Expenses</u>	<u>Total Expenses</u>
December 31, 2015				
Personnel and benefits	\$ 424,388	\$ 61,994	\$ 54,042	\$ 540,424
Professional fees and consultants	144,220	36,055	20,031	200,306
Occupancy	89,398	5,259	10,517	105,174
Office expense	26,208	1,542	3,083	30,832
Program supplies	22,504	-	-	22,504
Travel	9,635	2,409	1,338	13,382
Depreciation	12,527	-	659	13,186
Insurance	9,010	530	1,060	10,600
	<u>737,890</u>	<u>107,788</u>	<u>90,730</u>	<u>936,409</u>
Total expenses	\$ <u>737,890</u>	\$ <u>107,788</u>	\$ <u>90,730</u>	\$ <u>936,409</u>
December 31, 2014				
Personnel and benefits	\$ 196,333	\$ 45,317	\$ 26,850	\$ 268,500
Professional fees and consultants	101,177	25,294	34,686	161,157
Occupancy	47,685	2,805	5,609	56,099
Program supplies	19,089	-	-	19,089
Office expense	7,740	3,025	911	11,676
Depreciation	10,394	-	547	10,941
Travel	6,415	1,604	891	8,909
Insurance	4,926	289	581	5,796
	<u>393,759</u>	<u>78,334</u>	<u>70,074</u>	<u>542,167</u>
Total expenses	\$ <u>393,759</u>	\$ <u>78,334</u>	\$ <u>70,074</u>	\$ <u>542,167</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, 2014 AND 2015

	2014	2015
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
(Decrease) Increase in net assets	\$ (7,144)	\$ 80,565
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation	10,941	13,186
(Increase) Decrease in grants receivable	(28,792)	25,072
(Increase) in pledges receivable	(2,500)	(22,500)
(Increase) in prepaid expenses	(3,710)	(11,895)
(Increase) in other current assets	-	(2,100)
Increase in accounts payable and accrued expenses	26,663	12,235
Increase (Decrease) in deferred revenue	<u>9,323</u>	<u>(9,323)</u>
 Net cash provided by operating activities	 <u>4,781</u>	 <u>85,240</u>
CASH FLOWS (USED BY) INVESTING ACTIVITIES:		
Purchase of property & equipment	<u>(26,006)</u>	<u>(14,500)</u>
 Net cash (used by) investing activities	 <u>(26,006)</u>	 <u>(14,500)</u>
 NET (DECREASE) INCREASE IN CASH	 (21,225)	 70,740
 CASH, BEGINNING OF YEAR	 <u>63,283</u>	 <u>42,058</u>
 CASH, END OF YEAR	 <u>\$ 42,058</u>	 <u>\$ 112,798</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, 2014 AND 2015

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, 2014 and 2015, 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, 2014 and 2015, 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, 2014 and 2015 was \$10,941 and \$13,186, respectively. Software acquired in 2015 is being amortized over 60 months.

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 2014 and 2015, the Organization recognized in-kind donations of \$102,080 and \$49,505, 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, 2014 AND 2015

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, 2014 and 2015, 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 (2012-2015).

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 for its current facilities, expiring in March 2021. In November 2015, an lease was executed for additional space, expiring in March 2019. The rental expense for this space was \$44,420 and \$68,643 for the years ended December 31, 2014 and 2015, respectively. As of December 31, 2015, minimum future rental payments under the lease are:

Year ended December 31,	
2016	\$ 115,171
2017	118,345
2018	125,928
2019	92,463
2020	82,836
Thereafter	<u>20,862</u>
Total	<u>\$ 555,605</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, 2014 AND 2015**

Note C – Temporarily Restricted Net Assets

As described within Note A, temporarily restricted net assets are comprised of contributions received subject to donor-imposed restrictions. As of December 31, 2014 and 2015, temporarily restricted net assets consisted of funds from the following:

	<u>2014</u>	<u>2015</u>
General Operating Support	\$ <u>0</u>	\$ <u>25,500</u>

Net assets totaling \$0 and \$52,500 were released from donor restrictions during the years ended December 31, 2014 and 2015, respectively.

Note D – Pension Plan

During 2015, the Organization instituted a Simple IRA pension plan that covers all employees. Contributions to the plan are based on a percentage of eligible employees' wages. For the years ended December 31, 2014 and 2015, the applicable percentage rate was 3% and the amount of pension contributed by the Organization was \$0 and \$4,225, respectively.

Note E – 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, 2014 and 2015 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 F – Subsequent Events

Management has evaluated events and transactions which occurred through August 26, 2016, 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.