Nashville International Center for Empowerment, Inc.

(A Nonprofit Corporation)

Financial Statements

With Independent Auditors' Report Thereon

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

H A Beasley & Company, PLLC
Certified Public Accountants
Murfreesboro, Tennessee

Nashville International Center for Empowerment, Inc.

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H A Beasley
& Company, PLLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nashville International Center for Empowerment, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Nashville International Center for Empowerment, Inc. , which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows and functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 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 on the auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville International Center for Empowerment, Inc. as of December 31, 2015 and 2014, and the changes in its net assets, cash flows and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

H A Beasley & Company, PLLC

H A Beasley & Company, PLLC
February 19, 2016

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
CURRENT ASSETS		
Cash and equivalents	$ 182,195	$ 137,792
Grants receivable	273,669	217,023
Other receivables	2,624	4,889
Prepaid expenses	9,267	6,499
Total current assets	467,755	366,203
PROPERTY AND EQUIPMENT, NET	21,462	11,959
TOTAL ASSETS	$ 489,217	$ 378,162
CURRENT LIABILITIES		
Checks written in excess of deposits	$ 412	$ -
Payroll and related cost accrual	29,079	24,648
Resettlement and placement liabilities	33,103	40,863
Other accrued liabilities	1,847	1,873
Deferred revenue	65,060	22,500
Total current liabilities	129,501	89,884
NET ASSETS		
Unrestricted	304,949	233,401
Temporarily restricted	54,767	54,877
Total net assets	359,716	288,278
TOTAL LIABILITIES AND NET ASSETS	$ 489,217	$ 378,162

See accompanying notes to financial statements and independent auditors' report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT						
Grants and donations	$ 1,264,296	$ 164,137	$ 1,428,433	$ 1,359,533	$ 153,242	$ 1,512,775
Program fees	50,390	-	50,390	47,368	-	47,368
Special events, net expenses	16,678	-	16,678	13,964	-	13,964
	1,331,364	164,137	1,495,501	1,420,865	153,242	1,574,107
Net assets released from restrictions	164,247	(164,247)	-	149,003	(149,003)	-
Total revenue and other support	1,495,611	(110)	1,495,501	1,569,868	4,239	1,574,107
EXPENSES						
Program services	1,279,861	-	1,279,861	1,310,498	-	1,310,498
Supporting services						
Management and general	79,501	-	79,501	79,606	-	79,606
Fundraising	64,701	-	64,701	75,909	-	75,909
Total expenses	1,424,063	-	1,424,063	1,466,013	-	1,466,013
INCREASE (DECREASE) IN NET ASSETS	71,548	(110)	71,438	103,855	4,239	108,094
NET ASSETS AT BEGINNING OF YEAR	233,401	54,877	288,278	129,546	50,638	180,184
NET ASSETS AT END OF YEAR	$ 304,949	$ 54,767	$ 359,716	$ 233,401	$ 54,877	$ 288,278

See accompanying notes to financial statements and independent auditors' report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 71,438	$ 108,094
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	6,292	7,012
(Increase) decrease in operating assets:		
Grants receivable	(56,646)	(91,156)
Other receivables	2,265	(4,889)
Prepaid expenses	(2,768)	(5,082)
Increase (decrease) in operating liabilities:		
Checks writeen in excess of deposits	412	-
Payroll and related cost accrual	4,431	6,044
Resettlement and placement liabilities	(7,760)	9,447
Other accrued liabilities	(26)	(6,759)
Deferred revenue	42,560	22,500
Net cash provided by operating activities	60,198	45,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(15,795)	(6,547)
Net increase in cash and equivalents	44,403	38,664
Cash and equivalents at the beginning of the year	137,792	99,128
Cash and equivalents at the end of the year	$ 182,195	$ 137,792

See accompanying notes to financial statements and independent auditors' report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
		Supporting Services				Supporting Services		
	Program Services	Management & General	Fund-raising	Total	Program Services	Management & General	Fund-raising	Total
Compensation and related expenses								
Wages	$ 689,561	$ 56,940	$ 50,517	$ 797,018	737,125	$ 56,467	$ 59,376	$ 852,968
Payroll taxes	59,284	4,895	4,343	68,522	59,149	4,531	4,765	68,445
Employee benefits	17,738	1,465	1,299	20,502	16,972	1,300	1,367	19,639
Total compensation and related expenses	766,583	63,300	56,159	886,042	813,246	62,298	65,508	941,052
Resettlement and placement costs	269,327	-	-	269,327	293,357	-	-	293,357
Depreciation	5,443	450	399	6,292	6,060	464	488	7,012
Rent	44,468	1,509	158	46,135	40,736	1,614	1,527	43,877
Travel	49,297	4,070	3,611	56,978	35,811	2,743	2,885	41,439
Professional services	75,188	5,204	277	80,669	49,846	7,401	200	57,447
Supplies	28,629	2,364	2,097	33,090	23,878	1,829	1,924	27,631
Miscellaneous	2,538	-	-	2,538	5,203	399	419	6,021
Books and reference materials	2,792	231	205	3,228	7,664	587	617	8,868
Advertising	-	-	-	-	428	33	34	495
Other miscellaneous service costs	185	15	14	214	464	36	37	537
Telephone and internet	10,511	357	37	10,905	8,715	345	327	9,387
Janitorial services	1,143	39	4	1,186	572	23	21	616
Subscriptions	908	75	67	1,050	860	66	69	995
Printing & postage	2,436	201	178	2,815	436	34	35	505
Bank charges	640	53	47	740	909	70	73	1,052
Insurance	16,259	1,343	1,191	18,793	19,620	1,503	1,580	22,703
Utilities	-	-	-	-	1,214	48	46	1,308
Training	1,326	109	97	1,532	920	70	74	1,064
Licenses, fees and penalties	2,188	181	160	2,529	559	43	45	647
Totals	$1,279,861	$ 79,501	$ 64,701	$ 1,424,063	$1,310,498	$ 79,606	$ 75,909	$1,466,013

See accompanying notes to financial statements and independent auditors' report.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nashville International Center for Empowerment, Inc. (the "Organization" and "NICE") is a Tennessee not-for-profit corporation dedicated to empowering refugees and immigrants who have resettled in Middle Tennessee. NICE does this by providing direct social services and educational programs in the following areas:

- Adult education – NICE provides classes in the English language, citizenship and GED preparation.
- Career development – NICE provides assistance with resume writing, area job identification, vocational training, application writing, and referral services.
- Social adjustment - NICE provides immigration assistance, interpretation, referral services, and consultation services.
- Emergency services - NICE provides provision of food, clothing and shelter, as well as referrals to legal and family support services.
- Youth development - NICE provides one-on-one tutoring, leadership development, civic engagement, career and educational preparedness, and sports and musical experiences.
- Health and nutrition services - NICE provides classes and seminars on nutrition, disease prevention, child development, mental health, and healthy lifestyles.
- Resettlement and placement – NICE entered into an agreement in 2011 to assist with the resettlement and placement of refugees in the Middle Tennessee area under a U.S. Government grant administered by the Ethiopian Community Development Council.

Accrual Basis

The financial statements of the Organization have been prepared on the accrual basis.

Basis of Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

The Organization's net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)
Temporarily restricted net assets consist of donor restricted contributions and grants. Amounts restricted by donors for specific purposes are deemed to be earned and reported as temporarily restricted revenue, when received and such unexpected amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released restrictions".

Permanently restricted net assets consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. The Organization had no permanently restricted net assets at December 31, 2015 and 2014.

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 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 revenue or other support and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Cash and Equivalents
Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Grants Receivable
Grant reimbursement requests have been recorded as grants receivable. The grant receivable is recorded when the expense for reimbursement has been incurred. Each grant agreement defines when a particular grant is considered past due which range from 30 to 60 days from the invoice date. The Organization does not charge interest or a finance charge on past due grant receivable accounts. The Organization estimates an allowance for doubtful grants receivable based upon historical trends, contractual obligations and ability to pay. Generally the Organization does not require collateral or other security to support the grants receivable. As of December 31, 2015 and 2014, management estimated the allowance for doubtful grants receivable to be $-0-.

Property and Equipment, Net
The Organization capitalizes all property and equipment expenditures with a cost of $500 or more having estimated useful lives of more than one year. Property and equipment is capitalized at cost or, for donated items, at fair value as of the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net (continued)
When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities for the respective period.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets ranging from 3-5 years.

Contributions and Grants
Contributions are recognized as revenue when received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Deferred Revenue
The Organization records payments received before year end that are for services to be performed in the following year as deferred revenue in the statement of financial position. As of December 31, 2015 and 2014, the total deferred revenue was $65,060 and $22,500, respectively.

Functional Expenses
The Organization has multiple programs that are established to empower refugees and immigrants. Presentation of operating expenses includes program costs directly incurred for the program activities and supporting expense activity classifications.

Income Taxes
The Organization is a not-for-profit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. As such, the Organization is not taxed on income derived from its exempt functions. However, the Organization is subject to tax on unrelated business income. The Organization did not have any unrelated business income during the years ended December 31, 2015 or 2014.

With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2012, and to state tax authorities for years before 2010.

The Organization has evaluated its tax positions for all open tax years. Based on the evaluation of the Organization tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain positions has been recorded for the years ended December 31, 2015 and 2014.

NOTE B —PROPERTY AND EQUIPMENT, NET

Property and equipment, net are composed of the following as of December 31, 2015 and 2014:

	2015	2014
Computers and peripherals	$ 78,613	$ 71,018
Furniture and fixtures	5,534	5,534
Vehicles	14,346	6,146
	98,493	82,698
Less: Accumulated depreciation	(77,031)	(70,739)
	$ 21,462	$ 11,959

For the years ended December 31, 2015 and 2014, depreciation totaled $6,292 and $7,012.

NOTE C – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2015 and 2014:

Health education	$ 19,884	$ 17,719
Adult education	-	2,067
Youth	34,883	35,091
	$ 54,767	$ 54,877

NOTE D – IN-KIND DONATIONS

The Organization has received non-cash contributions that are "in-kind" donations that, for the years ended December 31, 2015 and 2014, consist of rent of $1,500 and $5,394, respectively on an apartment which is utilized for holding various classes for refugees. For the year ended December 31, 2014, the Organization also received a vehicle with an estimated fair value of $2,896 that is currently being utilized in daily operations. Volunteers also provided their time to assist with the various programs of the Organization. While those volunteer hours are captured as a requirement for one of the grants received and monetary values are placed on the volunteer services, they have not been recorded as revenue in the financial statements.

NOTE E – OPERATING LEASES

The Organization leases office space with monthly payments of $2,960 maturing on December 14, 2016.

The Organization leased classroom space through December 31, 2014 for monthly payments of $300. The facility was used for English classes and staff meetings.

NOTE E – OPERATING LEASES (CONTINUED)

The Organization leases classroom space with monthly payments of $50 maturing on June 30, 2016. The Organization also incurred additional expense for this space for changes made totaling $7,500. This additional expense is amortized over the lease in the amount of $500 per month. The facility will be used for various classes for the refugees.

Rent expense totaled $46,135 and $43,877 during the years ending December 31, 2015 and 2014, respectively.

The Organization's future minimum lease payments under operating leases total $36,215 for the year ending December 31, 2016.

NOTE E – RISKS, UNCERTAINTIES AND CONTINGENCIES

The Organization may be subject in the future to credit risk to its cash and equivalents accounts, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") offers coverage up to $250,000 for substantially all depository accounts. As of December 31, 2015 and 2014, the Organization did not have any funds over the FDIC limit.

During the years ended December 31, 2015 and 2014 the Organization received $457,715 and $390,425, respectively, or 31% and 25%, respectively, of its revenue and support from the Ethiopian Community Development Council, Inc. While not anticipated, the loss of this source of revenue could impact the operations of the Organization. The expenses that would be incurred by the Organization to serve the refugees covered by this granting agency would also decrease.

The Organization entered into a grant agreement which requires the financial statements of the Organization to be audited based on government auditing standards. Typically, organizations which received funding from the government directly or indirectly below the specific threshold established by the government are not required to have their financial statements audited using the government auditing standards. The Organization's funding received does not exceed the threshold established requiring audited financial statements in accordance with government auditing standards. The Organization contacted the grantor and received confirmation that since the Organization did not meet the typical threshold requiring an audit based on government auditing standards the grantor would waive this requirement in the grant agreement. Therefore, Management of the Organization has elected to continue to have the audit performed using generally accepted auditing standards.

NOTE F – RELATED PARTY

Two relatives of one of the employees provided child care services to refugees attending various classes offered by the Organization. During the years ended December 31, 2015 and 2014, a total of $3,866 and $6,547, respectively, was paid to these related parties in the form of employee compensation.

NOTE G – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 19, 2016, which is the date the financial statements were available to be issued. Through this date, management has determined that the Organization did not have any material recognizable or non-recognizable subsequent events.