

**AID TO INMATE MOTHERS, INCORPORATED
FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2014**

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December 31, 2014
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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aid to Inmate Mothers, Incorporated

We have audited the accompanying financial statements of Aid to Inmate Mothers, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year 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

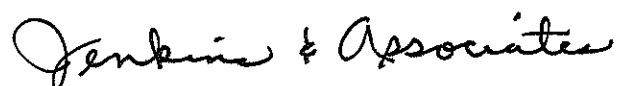
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aid to Inmate Mothers, Incorporated as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



August 12, 2015

Aid to Inmate Mothers, Inc.
Statements of Financial Position
December 31, 2014

| | 2014 |
|---|--------------------------|
| Assets | |
| Current Assets | |
| Cash and cash equivalents | \$ 2,390 |
| Deposits | 1,034 |
| Pledges and grants receivable | <u>37,429</u> |
| Total Current Assets | <u>40,852</u> |
| Property and equipment: | |
| Property and equipment | 163,805 |
| Less: accumulated depreciation | <u>(42,786)</u> |
| Net property and equipment | <u>121,019</u> |
| Total Assets | <u><u>\$ 161,871</u></u> |
| Liabilities and Net Assets | |
| Current Liabilities | |
| Accounts payable | \$ 1,661 |
| Line of credit-Compass Bank | <u>28,158</u> |
| Total Current Liabilities | <u>29,820</u> |
| Other Liabilities | |
| Mortgage note payable | <u>25,405</u> |
| Total Other Liabilities | 25,405 |
| Net Assets: | |
| Unrestricted | <u>106,647</u> |
| Total Net Assets | <u>106,647</u> |
| Total Liabilities and Net Assets | <u><u>\$ 161,871</u></u> |

Aid To Inmate Mothers, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2014

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|------------------|
| Revenue and support | | | | |
| State, City and Foundation Support | \$ 130,190 | \$ - | \$ - | \$130,190 |
| United Way | 5,516 | | | 5,516 |
| Individuals, churches, and organizations | 41,544 | - | - | 41,544 |
| Rent | 11,668 | | | 11,668 |
| Interest | 1 | | | 1 |
| Other income | 4,452 | | | 4,452 |
| Increase in value of marketable securities | - | | | - |
| Fundraising | 1,715 | - | - | 1,715 |
| | <u>195,086</u> | <u>-</u> | <u>-</u> | <u>195,086</u> |
| Total revenue and support | | | | |
| Expenses | | | | |
| Salaries | 113,455 | | | 113,455 |
| Payroll taxes | 8,974 | | | 8,974 |
| Direct program expenses | 51,122 | | | 51,122 |
| Professional fees | 5,976 | | | 5,976 |
| Meals and entertainment | 52 | | | 52 |
| Legal and accounting | 6,000 | | | 6,000 |
| Fundraising expenses | 1,411 | | | 1,411 |
| Copier lease and maintenance | 2,105 | | | 2,105 |
| Other expenses | 3,194 | | | 3,194 |
| Insurance | 15,042 | | | 15,042 |
| Postage and shipping | 1,373 | | | 1,373 |
| Operating supplies | 1,952 | | | 1,952 |
| Vehicle expenses | 1,396 | | | 1,396 |
| Depreciation | 9,288 | | | 9,288 |
| Finance charges | 1,764 | | | 1,764 |
| Bank charges | 564 | | | 564 |
| Professional memberships | 505 | | | 505 |
| | <u>224,173</u> | <u>-</u> | <u>-</u> | <u>224,173</u> |
| Total expenses | | | | |
| Increase (decrease) in net assets | (29,087) | - | - | (29,087) |
| Net assets - Beginning of the Year | 140,052 | - | - | 140,052 |
| Adjustment to beginning balance | (4,318) | - | - | (4,318) |
| Net assets - End of the Year | <u>\$ 106,647</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$106,647</u> |

AID TO INMATE MOTHERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

| | 2014 |
|---|-------------|
| Cash flows from operating activities: | |
| Change in net assets (Decrease) | \$ (29,087) |
| Adjustment to reconcile change in net assets to net cash provided for operating activities: | |
| (Increase) decrease in accounts receivable | 9,847 |
| Decrease in prepaid rent | 712 |
| Decrease in client loan receivable | 415 |
| Increase in accounts payable | 1,009 |
| Decrease in payroll liabilities | (8,460) |
| Increase in line of credit | 7,298 |
| Depreciation | 9,288 |
| Increase (decrease) in accounts payable | - |
| Total adjustments | 20,109 |
| Net cash provided (used) for operating activities | (8,979) |
| Cash Flows from financing activities: | |
| Mortgage note payments | (9,465) |
| (Decrease) in net assets | (4,423) |
| Net cash used by investing | (13,888) |
| Cash and equivalents, beginning | 25,257 |
| Cash and equivalents, ending | \$ 2,390 |

AID TO INMATE MOTHERS, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Aid to Inmate Mothers, Incorporated (AIM) is a private, nonprofit organization founded in 1990. The Corporation's purpose is to provide vital support services for Alabama incarcerated mothers and their children, to work with these incarcerated mothers to provide emotional support, conduct GED classes, parenting, job skills, social abuse, and drug abuse classes aimed at providing the women the opportunity to re-enter society and have a successful relationship with their families, and to improve the relationship between the incarcerated mothers and their children.

Basis of Accounting

The financial statements of AIM have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within 90 days of purchase.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed Assets

The Corporation depreciates its fixed assets using the straight-line method over various estimated useful lives. Property with an acquisition cost in excess of \$5,000 is capitalized all at cost.

| | |
|-------------------------------|-----------------|
| Building | \$ 116,269 |
| Land | 5,000 |
| Automobile | 4,500 |
| Equipment | 38,035 |
| Less accumulated depreciation | <u>(42,786)</u> |
| Net investment in property | \$ 121,019 |

Functional Allocation of Expenses

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

AID TO INMATE MOTHERS, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

AIM is exempt from Federal Income Taxes under Section 501(c) (3) of the Internal Revenue Code and is not a private foundation.

NOTE 2 – MORTGAGE PAYABLE AND NOTES PAYABLE

The Corporation has a note payable outstanding as of December 31, 2014, with a bank. The loan is unsecured.

The composition of the note is as follows:

| Outstanding Amount | Loan Date | Due Date | Interest Rate | Paid To | Description of Liability, Collateral Security Interests, Liens, Endorsers, Etc. |
|--------------------|------------|-----------|---------------|------------|---|
| \$ 25,405 | 05/03/2013 | 5/03/2017 | 6.840 | 12/31/2014 | |
| | | | | | |
| | | | | | |

Scheduled maturities by years ending December 31 are:

2015- \$10,055; 2016-\$10,765; 2017 \$4,585

The Corporation also has a line of credit with a limit of \$30,000. The interest rate is 7.85%. The balance outstanding at December 31, 2014 is \$28,158.

As of December 31, 2014, the Corporation was fully insured under the Federal Deposit Insurance (FDIC) relative to its cash deposits.

NOTE 5—EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 14, 2015, the date which the financial statements were available to be issued.