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**GEORGIA MOUNTAIN WOMEN'S CENTER  
aka Circle of Hope  
Cornelia, Georgia**

**Audited Financial Statements  
For the Year Ended  
December 31, 2010**

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**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**

**December 31, 2010**

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HABERSHAM COUNTY LOCATION  
854 WASHINGTON STREET, SUITE 200  
CLARKESVILLE, GEORGIA 30523  
TELEPHONE: 706-754-1040  
FACSIMILE: 706-754-0403

MICHAEL E. MIXON & ASSOCIATES  
*A Professional Corporation*  
CERTIFIED PUBLIC ACCOUNTANTS  
EMAIL: INFO@MIXONCPA.COM  
WEB: WWW.MIXONCPA.COM

WHITE COUNTY LOCATION  
545D HELEN HIGHWAY  
CLEVELAND, GEORGIA 30528  
TELEPHONE: 706-865-7200  
FACSIMILE: 706-865-7400

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### ***Independent Auditors' Report***

To the Board of Directors of  
Georgia Mountain Women's Center, Inc.

We have audited the accompanying statement of financial position of Georgia Mountain Women's Center, Inc. as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Mountain Women's Center, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2011 on our consideration of Georgia Mountain Women's Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Not-for-Profit Organizations, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Michael Mixon & Associates, CPAs, PC*

Michael Mixon & Associates, CPAs, PC  
March 10, 2011

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 82,544
Receivables:	
Grants - unrestricted (Note B)	25,279
Grants - temporarily restricted (Note B)	77,012
Inventory (Note C)	17,384
Prepaid expenses and other current assets	<u>11,531</u>

**TOTAL CURRENT ASSETS** 213,750

**NONCURRENT ASSETS**

**PROPERTY AND EQUIPMENT**

Property, plant and equipment, net of accumulated depreciation of \$ 172,124 in 2010 (Note D)	849,829
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**OTHER NONCURRENT ASSETS** 650

**TOTAL NONCURRENT ASSETS** 850,479

**TOTAL ASSETS** \$ 1,064,229

*The accompanying notes are an integral part of these financial statements.*

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010**

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 15,325
Accrued expenses (Note E)	7,700
Long-term note payable - current portion (Note F)	<u>2,463</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>25,488</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term note payable (Note F)	76,446
Other non-current liabilities	<u>-</u>
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>76,446</u>
<b>TOTAL LIABILITIES</b>	<u>101,934</u>
<b>NET ASSETS</b>	
Unrestricted	885,283
Unrestricted-board designated	-
Temporarily restricted (Note G)	77,012
Permanently restricted	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>962,295</u>
<b>TOTAL LIABILITIES NET ASSETS</b>	<u><u>\$ 1,064,229</u></u>

*The accompanying notes are an integral part of these financial statements.*

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Public Support:			
Pledges and Contributions	\$ 39,747	\$ -	\$ 39,747
Fundraising	22,607	-	22,607
Federal Grants	204,439	430,263	634,702
Indirect Support (Note H)	92,531	-	92,531
Sales: Thrift Store	104,304		104,304
State Grants	44,218	33,360	77,578
Total public support	507,846	463,623	971,469
Investment income:			
Interest	200	-	200
Net realized and unrealized investment gains(losses)	-	-	-
Total investment income	200	-	200
Other revenue:			
In-kind Contributions (Note I)	22,184	-	22,184
Client Contributions (Note J)	15,971	-	15,971
Other Income	50	-	50
Total other revenue	38,205	-	38,205
<b>Total revenue, gains and other support</b>	<b>546,251</b>	<b>463,623</b>	<b>1,009,874</b>
<b>NET ASSET RESTRICTION TRANSFERS</b>			
Revenue released from restriction	-	-	-
<b>TOTAL REVENUE</b>	<b>546,251</b>	<b>463,623</b>	<b>1,009,874</b>
<b>EXPENSES</b>			
Program Services:			
Domestic Violence Support	509,645	386,611	896,256
Thrift Store	51,518	-	51,518
Total program services	561,163	386,611	947,774
Supporting Services			-
Management and general	29,085	-	29,085
Fundraising	4,082	-	4,082
Total supporting services	33,167	-	33,167
<b>Total program and supporting services expense</b>	<b>594,330</b>	<b>386,611</b>	<b>980,941</b>
<b>CHANGE IN NET ASSETS</b>	<b>(48,079)</b>	<b>77,012</b>	<b>28,933</b>
<b>NET ASSETS, Beginning of year</b>	<b>933,362</b>	<b>-</b>	<b>933,362</b>
<b>NET ASSETS, End of year</b>	<b>\$ 885,283</b>	<b>\$ 77,012</b>	<b>\$ 962,295</b>

*The accompanying notes are an integral part of these financial statements.*

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Services			Supporting Services			Total
	Domestic Violence Support	Thrift Store	Program Services	Management and General	Fundraising	Supporting Services	
Compensation Expense	\$ 360,180	\$ 24,962	\$ 385,142	\$ 13,591	\$ -	\$ 13,591	\$ 398,733
Salaries	29,882	2,061	31,943	1,072	-	1,072	33,015
Payroll taxes	55,774	4,157	59,931	1,110	-	1,110	61,041
Employee benefits	445,836	31,180	477,016	15,773	-	15,773	492,789
Total Compensation							
Other Expenses							
Bank Charges	-	-	-	1,443	-	1,443	1,443
Client Financial Assistance	42,063	-	42,063	-	-	-	42,063
Client Legal Fees	17,062	-	17,062	-	-	-	17,062
Contract Services	18,711	-	18,711	-	-	-	18,711
Depreciation	39,029	-	39,029	-	-	-	39,029
Dues and Subscriptions	2,976	-	2,976	-	-	-	2,976
Equipment Rental and Maintenance	4,327	-	4,327	-	-	-	4,327
Insurance	14,865	-	14,865	6,143	-	6,143	21,008
Interest expense	3,196	-	3,196	-	-	-	3,196
Loss on Sale/Retirement of Fixed Assets	6,938	-	6,938	-	-	-	6,938
Miscellaneous Expenses	1,582	-	1,582	35	-	35	1,617
Postage	973	-	973	-	-	-	973
Printing and Publications	2,050	-	2,050	-	-	-	2,050
Professional Development	620	-	620	-	-	-	620
Professional Fees	-	-	-	4,860	-	4,860	4,860
Rent	10,200	7,800	18,000	-	-	-	18,000
Repairs and Maintenance	1,288	-	1,288	-	-	-	1,288
Shelter Operating Expenses	25,337	-	25,337	-	-	-	25,337
Supplies	6,430	838	7,268	831	4,082	4,913	12,181
Supportive Housing Program	171,301	-	171,301	-	-	-	171,301
Telephone	10,013	658	10,671	-	-	-	10,671
Transitional Housing Program	32,722	-	32,722	-	-	-	32,722
Travel	15,154	-	15,154	-	-	-	15,154
Utilities	22,631	11,042	33,673	-	-	-	33,673
Workshops	952	-	952	-	-	-	952
Total Other Expenses	450,420	20,338	470,758	13,312	4,082	17,394	488,152
<b>TOTAL</b>	<b>\$ 896,256</b>	<b>\$ 51,518</b>	<b>\$ 947,774</b>	<b>\$ 29,085</b>	<b>\$ 4,082</b>	<b>\$ 33,167</b>	<b>\$ 980,941</b>

The accompanying notes are an integral part of these financial statements.

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 28,933
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	39,029
(Increase) decrease in assets:	
Pledges receivable	2,617
Inventory	(17,384)
Prepaid expenses and other current assets	3,677
Grants and contracts receivable, net	(39,985)
Other assets	-
Increase (decrease) in liabilities:	
Accounts payable	4,403
Accrued expenses	(13,996)
Other liabilities	-

**CASH PROVIDED BY OPERATING ACTIVITIES**

7,294

**CASH FLOWS FROM INVESTING ACTIVITIES**

Loss on retirement of fixed assets	6,938
Cash paid for purchases of fixed assets:	
Supportive Housing Program	(22,922)
Shelter Improvement	(14,226)
Operating Equipment	(3,223)

**CASH USED FOR INVESTING ACTIVITIES**

(33,433)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal payments on long term debt	(2,519)
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**CASH USED FOR FINANCING ACTIVITIES**

(2,519)

**NET DECREASE IN CASH**

(28,658)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

111,202

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 82,544

**CASH PAID DURING THE YEAR FOR:**

INTEREST	<u><u>\$ 3,196</u></u>
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*The accompanying notes are an integral part of these financial statements.*

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**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

The Georgia Mountain Women's Center (GMWC), aka Circle of Hope, is a not-for-profit organization exempt from income tax under Section 501 (c)(3) of the United States Internal Revenue Code that has been established to provide a safe, temporary care shelter for battered women and their children. GMWC's mission is "to support, empower and bring hope to those affected by domestic violence."

GMWC's mission is funded by federal and state grants, contributions received within the community, and by sales from its thrift store location.

Basis of Presentation

The financial statements of GMWC have been prepared on the accrual basis of accounting and conform to generally accepted accounting principles of the United States of America. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions as follows:

- *Unrestricted* – net assets that are not subject to donor imposed restrictions.
- *Temporarily Restricted* – net assets subject to restrictions from the donor or that will expire by the passage of time.
- *Permanently Restricted* – net assets subject to donor imposed restrictions that require the assets be permanently maintained by GMWC.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods are reported as temporarily restricted in those net asset 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.

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### Donated Services

Many volunteers donate significant amounts of time to GMWC's program services; however, no amounts have been reflected in the financial statements for these services as no objective basis is available to measure the value of such services. Contributions of tangible assets are recognized at fair value when received.

### Income Taxes

GMWC is exempt from federal and state income taxes under the Internal Revenue Code Section 501 (c)(3) and Georgia Revenue and Taxation Code.

### Use of 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.

### Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit, certificates of deposit, money market accounts, and investment grade commercial paper that are readily convertible into cash and have original maturities three months or less.

### Employee Benefits

GMWC currently offers a 401(K) retirement plan to all employees. Employees are eligible to make tax deferred contributions beginning on their first day of employment. However, GMWC will match the employee's contributions, after completion of one year of employment, up to 6% of the employee's annual salary. In 2010, plan expenses totaled \$ 5,844.

GMWC also offers its employees health and dental insurance through Blue Cross/Blue Shield. Employees have the option of participating in this plan or they may choose to receive pre-tax health benefit reimbursements of \$315 per month. In 2010, employee health benefits totaled \$ 53,040.

## Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight line method over the estimated useful lives of 31.5 years for buildings and improvements, 7 years for furniture and fixtures, and 5 years for equipment. Contributions of tangible assets are recognized at fair market value when received. Maintenance and repairs are charged to expense as incurred. Major renewals and improvements are capitalized. When items of property and/or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and gain or loss is recognized.

## **NOTE B - UNRESTRICTED AND TEMPORARILY RESTRICTED GRANT RECEIVABLES**

GMWC receives 70% of its revenues from federal and state grants. A full description of the grants listed below can be found on the Schedule of Expenditures of Federal and State Awards listing. As of December 31, 2010, the following grants reimbursements were still pending:

### Unrestricted

DHR/FVP	\$ 5,099
DHR/TANF	10,911
DHR/STATE	<u>9,269</u>
Total Unrestricted Grant Receivables	<u>\$ 25,279</u>

### Temporarily Restricted

HUD	\$ 18,256
VOCA	22,537
OVW	19,015
VAWA	3,744
PSSF	7,610
DCA/SS	2,508
DCA	<u>3,342</u>
Total Temporarily Restricted Grant Receivables	<u>\$ 77,012</u>

## **NOTE C - INVENTORY**

GMWC's inventory for its thrift store consists mostly of non-cash contributions. Donations of clothing and household goods received from the community are sold through the Circle of Hope Thrift Store. Inventory is calculated at an estimated fair market value in the period received based on an average two month turnover of monthly sales. Inventory as of December 31, 2010 totaled \$ 17,384.

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#### **NOTE D – PROPERTY AND EQUIPMENT**

The following is a summary of land, building improvements, furniture and fixtures, and equipment as of December 31, 2010:

Building Improvements	\$ 770,105
Equipment	82,126
Furniture and Fixtures	45,940
Land	123,783
Less Accumulated Depreciation	<u>(172,124)</u>
Total	<u>\$ 849,830</u>

#### **NOTE E – ACCRUED EXPENSES**

Accrued sales tax and paid days off comprise the total of GMWC's accrued expenses for 2010. Sales tax is accrued to reflect the amount that was payable in December of 2010. For paid days off (PDO), GMWC has a policy that allows each employee, within 30 days of their anniversary employment date, to either carry over or sell back up to 80 hours of unused PDOs per year. An accrual is made at the end of the year to account for the unused PDOs. Following is the total of accrued expenses for 2010:

Sales Tax Payable	\$ 558
Accrued PDOs	<u>7,142</u>
Total	<u>\$ 7,700</u>

#### **NOTE F – NOTE PAYABLE**

GMWC has a long-term note payable with Stephens Federal Bank. The loan is an adjustable rate note with a ceiling of 10%. The interest rate changes on an annual basis, but can never go up more than 2 percentage points. The current interest rate is 3.75%. Total interest paid in 2010 is \$ 3,196.

Collateral for the loan is the land and the building that houses the shelter. Monthly payments throughout 2010 were \$471.69. As of February 1, 2011, monthly payments are \$ 466.55. This loan matures on January 1, 2031.

Balance as of December 31, 2010	\$ 78,909
Less current portion	<u>(2,463)</u>
Total Long-Term Note Payable	<u>\$ 76,446</u>

Based on the current interest rate, the principal amount of the note payable over the next five years is as follows:

Current Portion	2011	<u>\$ 2,463</u>
Long-Term Portion	2012	2,779
	2013	2,885
	2014	2,995
	2015	3,109
	Thereafter	<u>64,678</u>
Total Long-Term Portion		<u>76,446</u>
Total Note Payable		<u>\$ 78,909</u>

**NOTE G – TEMPORARILY RESTRICTED NET ASSETS**

GMWC’s temporarily restricted net assets totaled \$ 77,012 as of December 31, 2010. This amount is also the total amount of the temporarily restricted grant receivables.

**NOTE H – INDIRECT SUPPORT**

GMWC’s indirect support consists of contributions from local United Ways and 5% victim assistance fees collected from local funds in Habersham, Stephens, and White Counties.

Following is the total of indirect support for 2010:

5% Fees Collected		
Habersham County		\$ 28,196
Stephens County		5,529
White County		<u>6,806</u>
Subtotal		<u>40,531</u>
United Way Funds		
Habersham County		34,000
Northeast Georgia		11,000
White County		<u>7,000</u>
Subtotal		<u>52,000</u>
Total Indirect Support		<u>\$ 92,531</u>

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### NOTE I – IN-KIND CONTRIBUTIONS

Along with the inventory discussed in Note C, GMWC also receives donated office space in Toccoa. The fair market value for the office space is \$ 4,800 per year. Total in-kind contributions as of December 31, 2010 are as follows:

Inventory (Donated Materials)	\$ 17,384
Rent	<u>4,800</u>
Total In-Kind Contributions	<u>\$ 22,184</u>

### NOTE J – CLIENT CONTRIBUTIONS

In fourth quarter of 2009, GMWC received a federal grant from the U.S. Department of Housing and Urban Development to provide rental assistance for clients eligible under the Shelter Plus Care Program. Clients who have income are required to contribute 30% of their adjusted gross income towards their rental assistance. In 2010, the total client contributions were \$ 15,971.

### NOTE K – RENTAL/LEASE EXPENSE

GMWC leases various office equipment and pays monthly rental fees for its thrift store in Clarkesville and its advocate's office space in Cleveland. For 2010, the total rent/lease expense is \$ 20,902. This total does not reflect the donated office space in Toccoa as mentioned in Note I. The expected rental/lease expense over the next five years is as follows:

	<u>For Years 2011-2015</u>
	<u>Annual Total</u>
Thrift Store	\$ 7,800
Cleveland Office	5,400
Toccoa Office	4,800
Equipment	<u>3,000</u>
Total	<u>\$ 21,000</u>

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## **NOTE L – COMMITMENTS AND CONTINGENCIES**

In 2003, GMWC submitted, with the approval of the Habersham County Board of Commissioners, a grant through the Georgia Department of Community Affairs Community Block Grant Program. This grant was rewarded to Habersham County, on behalf of GMWC, in the amount of \$ 500,000 to construct a professional care and treatment center to serve battered women. GMWC used these monies and an additional \$ 700,000 to construct its facility. Currently, Habersham County holds the deeded title for the building and 3 acres of land until August 19, 2024. Although no rent is payable to Habersham County, GMWC has a long-term note payable, as discussed in Note F, on the construction of the building and the remaining 19 acres of land. GMWC also has the responsibility for the daily operations, maintenance, and building improvements.

Another contingency is GMWC's grant revenue. Currently, 70% of GMWC's revenue is from federal and state grants. Each grant requires GMWC to adhere to conditions set forth in the grant agreements. Failure to follow the grant guidelines could result in the return of funds to the federal and state agencies. Although the return of funds is a possibility, management and the board of directors of GMWC deems this contingency unlikely. GMWC has a history of complying with all grant requirements.

## **NOTE M – SUBSEQUENT EVENTS**

Events subsequent to December 31, 2010 have been evaluated through March 10, 2011, the date these financial statements were available to be issued.

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**SUPPLEMENTARY INFORMATION**

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**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**DECEMBER 31, 2010**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>U.S. Dept. of Housing and Urban Development/Georgia Housing and Financing Authority</b>			
HUD Shelter Plus Care	14.238	2008 08S SPC 08C 375	\$ 67,913
<b>U.S. Dept. of Housing and Urban Development/Georgia Coalition of Domestic Violence</b>			
HUD Transitional Housing	14.238	GA 0086B4B011003	39,933
<b>Dept. of Justice/Office of Governor Criminal Justice Coordinating Council</b>			
VOCA - Victims of Crime Act Assistance	16.575	C09-8-071 & C10-8- 088	85,465
VAWA - Violence Against Women Act	16.588	W82-8-025	23,632
VAWA - Violence Against Women Act*	16.588	W82-8-025	24,486
<b>Dept. of Justice</b>			
OVW - Office on Violence Against Women*	16.526		145,397
<b>Dept. of Health and Human Services/Georgia Dept. of Human Resources</b>			
PSSF - Promoting Safe and Stable Families	93.556	766-2980	43,437
TANF - Temporary Assistance for Needy Families	93.558	5354	135,061
FVP - Family Violence Program	93.671	5354	69,378
<b>TOTAL</b>			<u>\$ 634,702</u>

**\*American Recovery and Reinvestment Act of 2009 Awards**

<u>STATE GRANTORS/PASS-THROUGH GRANTORS</u>	<u>GRANT NUMBER</u>	<u>STATE EXPENDITURES</u>
Georgia Department of Human Resources	5354	\$ 44,218
Georgia Department of Community Affairs - Supportive Services	2009 HTF ES 09C096 2010 HTF EO	13,842
Georgia Department of Community Affairs	10C035	9,518
AOC - Administrative Office of the Courts/FAITH of Rabun Co.	-	8,500
Georgia Bar Funds/Heart Haven of Hartwell	-	1,500
<b>TOTAL</b>		<u>\$ 77,578</u>

*The accompanying notes are an integral part of these financial statements.*



HABERSHAM COUNTY LOCATION  
854 WASHINGTON STREET, SUITE 200  
CLARKESVILLE, GEORGIA 30523  
TELEPHONE: 706-754-1040  
FACSIMILE: 706-754-0403

MICHAEL E. MIXON & ASSOCIATES  
*A Professional Corporation*  
CERTIFIED PUBLIC ACCOUNTANTS  
EMAIL: INFO@MIXONCPA.COM  
WEB: WWW.MIXONCPA.COM

WHITE COUNTY LOCATION  
545D HELEN HIGHWAY  
CLEVELAND, GEORGIA 30528  
TELEPHONE: 706-865-7200  
FACSIMILE: 706-865-7400

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### ***Independent Auditors' Report***

To the Board of Directors of  
Georgia Mountain Women's Center, Inc.

We have audited the basic financial statements of Georgia Mountain Women's Center, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated March 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit, we considered Georgia Mountain Women's Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Georgia Mountain Women's Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Georgia Mountain Women's Center, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Georgia Mountain Women's Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of the directors, others within the organization, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Michael Mixon & Associates, CPAs, PC*

Michael Mixon & Associates, CPAs, PC  
March 10, 2011