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

**Audited Financial Statements
For the Year Ended
December 31, 2012**

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.

December 31, 2012

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying statement of financial position of Georgia Mountain Women's Center, Inc. as of December 31, 2012, 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.

Auditors' 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 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 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 Georgia Mountain Women's Center, Inc. as of December 31, 2012, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal 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 Non-*

Profit Organizations, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2013 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.

Michael Mixon & Associates, CPAs, PC

Michael Mixon & Associates, CPAs, PC
May 31, 2013

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
STATEMENT OF FINANCIAL POSITON
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 57,446
Receivables:	
Grants - Unrestricted (Note B)	53,763
Grants - Temporarily Restricted (Note B)	50,736
Inventory (Note C)	26,411
Prepaid Expenses	<u>13,160</u>

TOTAL CURRENT ASSETS

201,516

PROPERTY AND EQUIPMENT

Property, Plant and Equipment, net of Accumulated Depreciation of \$ 274,260(Note D)	<u>1,464,002</u>
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TOTAL PROPERTY AND EQUIPMENT

1,464,002

NONCURRENT ASSETS

Security Deposit	<u>650</u>
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TOTAL NONCURRENT ASSETS

650

TOTAL ASSETS

\$ 1,666,168

See Auditors' report and accompanying notes.

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 17,225
Accrued Expenses (Note E)	16,663
Long-Term Note Payable - Current Portion (Note F)	<u>3,824</u>
TOTAL CURRENT LIABILITIES	<u>37,712</u>
NONCURRENT LIABILITIES	
Long-Term Note Payable (Note F)	69,592
Other Non-Current Liabilities	<u>-</u>
TOTAL NONCURRENT LIABILITIES	<u>69,592</u>
TOTAL LIABILITIES	<u>107,304</u>
NET ASSETS	
Unrestricted	1,508,128
Unrestricted-Board Designated	-
Temporarily Restricted (Note G)	50,736
Permanently Restricted	<u>-</u>
TOTAL NET ASSETS	<u>1,558,864</u>
TOTAL LIABILITIES NET ASSETS	<u><u>\$ 1,666,168</u></u>

See Auditors' report and accompanying notes.

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Pledges and Contributions	\$ 40,698	\$ -	\$ 40,698
Fundraising	10,310	-	10,310
Federal Grants	122,157	404,762	526,919
Indirect Support (Note H)	79,801	-	79,801
Sales: Thrift Stores	158,464	-	158,464
State Grants	147,918	30,621	178,539
Total Public Support	559,348	435,383	994,731
Investment Income:			
Interest	20	-	20
Net Realized and Unrealized Investment Gains(Losses)	-	-	-
Total Investment Income	20	-	20
Other Revenue:			
In-kind Contributions (Note I)	33,011	-	33,011
Client Contributions (Note J)	17,136	-	17,136
Other Income	265	-	265
Total Other Revenue	50,412	-	50,412
Total Revenue, Gains and Other Support	609,780	435,383	1,045,163
NET ASSET RESTRICTION TRANSFERS			
Revenue Released From Restriction	435,222	(435,222)	-
TOTAL REVENUES	1,045,002	161	1,045,163
EXPENSES			
Program Services:			
Domestic Violence Support	946,815	-	946,815
Thrift Store	108,733	-	108,733
Total Program Services	1,055,548	-	1,055,548
Supporting Services			
Management and general	34,828	-	34,828
Fundraising	-	-	-
Total Supporting Services	34,828	-	34,828
Total Program and Supporting Services Expense	1,090,376	-	1,090,376
CHANGE IN NET ASSETS	(45,374)	161	(45,213)
NET ASSETS, Beginning of Year	1,553,502	50,575	1,604,077
NET ASSETS, End of Year	\$ 1,508,128	\$ 50,736	\$ 1,558,864

See Auditors' report and accompanying notes.

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services			Supporting Services			Total
	Domestic Violence Support	Thrift Stores	Program Services	Management and General	Fundraising	Supporting Services	
Compensation Expense	\$ 397,154	\$ 42,330	\$ 439,484	\$ 15,832	\$ -	\$ 15,832	\$ 455,316
Salaries	-	-	-	-	-	-	-
Payroll Taxes	35,520	3,918	39,438	1,305	-	1,305	40,743
Employee Benefits	49,001	3,511	52,512	1,245	-	1,245	53,757
Total Compensation	481,675	49,759	531,434	18,382	-	18,382	549,816
Other Expenses							
Advertising	2,296	-	2,296	-	-	-	2,296
Bank Charges	-	1,448	1,448	730	-	730	2,178
Client Needs	35,675	-	35,675	-	-	-	35,675
Contract Services	26,301	-	26,301	-	-	-	26,301
Costs of Donated Assets Sold	-	17,290	17,290	-	-	-	17,290
Depreciation	61,216	195	61,411	-	-	-	61,411
Dues and Subscriptions	1,673	-	1,673	770	-	770	2,443
Equipment Rental and Maintenance (Note K)	2,534	-	2,534	-	-	-	2,534
Insurance	20,219	1,870	22,089	1,844	-	1,844	23,933
Interest expense	2,802	-	2,802	-	-	-	2,802
Licenses, Fees & Permits	124	-	124	-	-	-	124
Loss on Equipment	837	-	837	-	-	-	837
Miscellaneous Expenses	2,140	863	3,003	166	-	166	3,169
Postage	-	-	-	914	-	914	914
Printing and Publications	2,648	251	2,899	-	-	-	2,899
Professional Development	-	-	-	824	-	824	824
Professional Fees	-	-	-	8,125	-	8,125	8,125
Rent (Note K)	15,356	16,612	31,968	1,119	-	1,119	33,087
Repairs and Maintenance	-	2,668	2,668	-	-	-	2,668
Shelter Operating Expenses	47,997	-	47,997	-	-	-	47,997
Supplies	5,816	1,846	7,662	1,377	-	1,377	9,039
Supportive Housing Program	146,562	-	146,562	-	-	-	146,562
Telephone	12,342	1,255	13,597	-	-	-	13,597
Transitional Housing Program	60,956	-	60,956	-	-	-	60,956
Travel	15,915	963	16,878	-	-	-	16,878
Utilities	1,731	13,713	15,444	577	-	577	16,021
Total Other Expenses	465,140	58,974	524,114	16,446	-	16,446	540,560
TOTAL	\$ 946,815	\$ 108,733	\$ 1,055,548	\$ 34,828	\$ -	\$ 34,828	\$ 1,090,376

See Auditors' report and accompanying notes.

**GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (45,213)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	61,411
Loss on Disposal of Equipment	837
(Increase) Decrease in Assets:	
Pledges Receivable	-
Inventory	(9,121)
Prepaid Expenses and Other Current Assets	436
Grants and Contracts Receivable, net	219
Other assets	-
Increase (Decrease) in Liabilities:	
Accounts Payable	(13,247)
Accrued Expenses	7,306
Other Liabilities	-

CASH PROVIDED BY OPERATING ACTIVITIES

2,628

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Paid for Purchases of Fixed Assets:	
Cornelia Thrift Store Improvements	(3,898)
Eastanolle Property	(3,816)
Transitional Housing Program	(2,592)
Shelter Improvement	(689)
Van	(8,200)

CASH USED FOR INVESTING ACTIVITIES

(19,195)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Long Term Debt	(2,811)
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CASH USED FOR FINANCING ACTIVITIES

(2,811)

NET DECREASE IN CASH

(19,378)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

76,824

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 57,446

CASH PAID DURING THE YEAR FOR:

INTEREST	<u>\$ 2,802</u>
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See Auditors' report and accompanying notes.

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.

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. Therefore, no provision for income taxes has been included in the accompanying financial statements.

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.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Certain expenses have been allocated among the programs and supporting services receiving benefit. These allocations are based on management's best estimate of the actual resources used in those areas.

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 2012, plan expenses totaled \$ 5,634.

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 2012, employee health benefits totaled \$ 44,253.

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 68% of its public support 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. Most all of GMWC's grants are reimbursable type contracts which means that grant revenue cannot be recognized until after the qualifying expenditure has been made. As of December 31, 2012, the following grants reimbursements were still pending:

Unrestricted

GOCF/TANF	\$ 53,763
Total Unrestricted Grant Receivables	<u>\$ 53,763</u>

Temporarily Restricted

HUD – SHELTER PLUS CARE	\$ 8,931
HUD – TRANSITIONAL HOUSING	8,642
VOCA	19,102
OVW	6,724
PSSF	5,565
VAWA	<u>1,772</u>
Total Temporarily Restricted Grant Receivables	<u>\$ 50,736</u>

An allowance of doubtful accounts has not been made as all grant reimbursements are expected to be received in their entirety.

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, 2012 totaled \$ 26,411.

NOTE D – PROPERTY AND EQUIPMENT

The following is a summary of land, building improvements, buildings, furniture and fixtures, and equipment as of December 31, 2012:

Building Improvements	\$ 778,372
Buildings	560,000
Equipment	92,040
Furniture and Fixtures	49,067
Land	258,783
Less Accumulated Depreciation	<u>(274,260)</u>
Total	<u>\$ 1,464,002</u>

NOTE E – ACCRUED EXPENSES

Accrued sales tax, payroll liabilities and paid days off comprise the total of GMWC's accrued expenses for 2012. Sales tax is accrued to reflect the amount that was payable in December of 2012. 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 2012:

Sales Tax Payable	\$ 854
Payroll Liabilities	6,173
Accrued PDOs	<u>9,636</u>
Total	<u>\$ 16,663</u>

NOTE F – NOTE PAYABLE

In October 2012, GMWC paid the loan in full with Stephens Federal Bank by borrowing funds from United Community Bank (UCB). The terms of the loan with UCB include an interest rate of 3.65% with monthly payments of \$536.70. The loan matures in September 2015 and uses the Eastanollee property in Stephens County as collateral. Total interest paid in 2012 is \$ 2,802.

Balance as of December 31, 2012		\$ 73,416
Less current portion		<u>(3,824)</u>
Total Long-Term Note Payable		<u>\$ 69,592</u>

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

Current Portion	2013	\$ 3,824
Long-Term Portion	2014	3,966
	2015	<u>65,626</u>
Total Long-Term Portion		<u>69,592</u>
Total Note Payable		<u>\$ 73,416</u>

In addition to the note payable, GMWC also obtained a line of credit with United Community Bank with a credit limit of \$100,000. The interest rate on the line of credit is 3.25%. This loan will renew in October 2013. As of December 31, 2012, this loan had a zero balance.

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

GMWC's temporarily restricted net assets totaled 50,736 as of December 31, 2012. 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 2012:

5% Fees Collected		
Habersham County		\$ 16,434
Stephens County		5,461
White County		<u>5,656</u>
Subtotal		<u>27,551</u>
United Way Funds		
Habersham County		34,750
Northeast Georgia		11,000
White County		<u>6,500</u>
Subtotal		<u>52,250</u>
Total Indirect Support		<u>\$ 79,801</u>

NOTE I – IN-KIND CONTRIBUTIONS

Along with the inventory discussed in Note C, GMWC receives donated office space in Toccoa. The fair market value for the office space is \$ 4,800 per year. In addition, \$150 per month of the Cleveland office is donated. Total in-kind contributions as of December 31, 2012 are as follows:

Inventory (Donated Materials)	\$ 26,411
Rent	<u>6,600</u>
Total In-Kind Contributions	<u>\$ 33,011</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 2012, the total client contributions were \$ 17,136.

NOTE K – RENTAL/LEASE EXPENSE

GMWC leases office equipment and pays monthly rental fees for its thrift stores in Clarkesville and Cornelia, its administrative offices, and its advocate's office space in Cleveland. For 2012, the total rent/lease expense is \$ 35,621. This total reflects 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 2012-2016</u>
	<u>Annual Total</u>
Thrift Stores	\$ 18,300
Cleveland Office	360
Toccoa Office	4,800
Admin Office	4,500
Equipment	<u>2,500</u>
Total	<u>\$ 30,460</u>

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 the responsibility for the daily operations, maintenance, and building improvements.

Another contingency is GMWC's grant revenue. Currently, 68% of GMWC's public support 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, 2012 have been evaluated through May 9, 2013, the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	FEDERAL EXPENDITURES
U.S. Dept. of Housing and Urban Development/Georgia Housing and Financing Authority			
HUD Shelter Plus Care	14.238	2008 08S SPC 08C 375 /GA 0042C4B010800	\$ 107,677
U.S. Dept. of Housing and Urban Development/Georgia Coalition of Domestic Violence			
HUD Transitional Housing	14.238	GA 0086B4B011003	44,595
Dept. of Justice/Office of Governor Criminal Justice Coordinating Council			
VOCA - Victims of Crime Act Assistance	16.575	C11-8-062	62,726
VOCA - Victims of Crime Act Assistance	16.575	C11-8-205	19,102
VAWA - Violence Against Women Act	16.588	W11-8-028	23,679
Dept. of Justice			
OVW - Office on Violence Against Women*	16.526	2009-EH-S6-0070	14,027
OVW - Office on Violence Against Women	16.526	2011-WH-AZ-0009	73,869
Dept. of Health and Human Services/Georgia Dept. of Human Resources/Governor's Office for Children and Families			
PSSF - Promoting Safe and Stable Families	93.556	766-2980	59,087
TANF - Temporary Assistance for Needy Families	93.558	DV12-016	81,177
FVP - Family Violence Program	93.671	DV13-016	22,566
FVP - Family Violence Program	93.671	DV12-016	18,414
TOTAL			\$ 526,919

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

STATE GRANTORS/PASS-THROUGH GRANTORS	CFDA NUMBER	GRANT NUMBER	STATE EXPENDITURES
Georgia Department of Human Resources/Governor's Office for Children and Families	93.558/ 93.671	DV13-016	\$ 138,723
Governor's Office for Children and Families	93.558/ 93.671	DV12-016	8,695
Governor's Office for Children and Families		2012 DV-0-08	500
Georgia Department of Community Affairs - Shelter Plus Care	14.231	2008 08S SPC 08C375	7,536
Georgia Department of Community Affairs - Supportive Services	-	2011 HTF EM 11C095	6,151
Georgia Department of Community Affairs	-	2011 11E EO 11C093	4,188
Georgia Department of Community Affairs	-	2011 11E ET 11C094	5,000
AOC - Adminstrative Office of the Courts/FAITH of Rabun Co.	-	-	7,746
TOTAL			\$ 178,539

See Auditors' report and accompanying notes.

GEORGIA MOUNTAIN WOMEN'S CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal and State Awards is presented on the accrual basis of accounting and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

In instances where the grant agreement requires GMWC to match grant awards with GMWC funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal and State Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding



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Independent Auditors' Report

Board of Directors
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, 2012, and have issued our report thereon dated May 31, 2013. 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

Management of Georgia Mountain Women's Center, Inc. is responsible for establishing and maintaining effective 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*. We noted certain matters that we have reported to management of Georgia Mountain Women's Center, Inc. in a separate letter dated May 31, 2013.

Restricted Use

The purpose of this report is solely 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 effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Michael Mixon & Associates, CPAs, PC
Michael Mixon & Associates, CPAs, PC
May 31, 2013



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Independent Auditors' Report

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

Compliance

We have audited the compliance of Georgia Mountain Women's Center, Inc. with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. Georgia Mountain Women's Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Georgia Mountain Women's Center, Inc.'s management.

Auditors' Responsibility

Our responsibility is to express an opinion on Georgia Mountain Women's Center, Inc.'s compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. A compliance audit includes examining, on a test basis, evidence about Georgia Mountain Women's Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination of Georgia Mountain Women's Center, Inc.'s compliance with those requirements.

Opinion

In our opinion, Georgia Mountain Women's Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Internal Control over Compliance

Management of Georgia Mountain Women's Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Georgia Mountain Women's Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of

expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Georgia Mountain Women's Center, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Restricted Use

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Georgia Mountain Women's Center, Inc.'s internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Michael Mixon & Associates, CPAs, PC

Michael Mixon & Associates, CPAs, PC
May 31, 2013

**GEORGIA MOUNTAIN WOMEN'S, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I: Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major program compliance:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audits of State, Local Governments, and Non-Profit Organizations</i> , Section .510(a)?	___ Yes	_X_ No

**GEORGIA MOUNTAIN WOMEN'S, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Identification of major programs:

CFDA Number(s)	and Name of Federal Program or Cluster
16.524	OVW – OFFICE OF VIOLENCE AGAINST WOMEN -LEGAL ASSISTANCE FOR VICTIMS
93.558	TANF – TEMPORARY ASSISTANCE FOR NEEDY FAMILIES
93.671	FVP – FAMILY VIOLENCE PROGRAM
14.238	HUD – SHELTER PLUS CARE
16.588	VAWA – VIOLENCE AGAINST WOMEN ACT

Enter the dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Is the auditee qualified as a low-risk auditee?

Yes

No

Section II: Financial Statement Findings

None reported

Section III: Federal Awards Findings

None reported